

## ROSSIN & BURR, PLLC STATUTORY

SOUTH FLORIDA'S COMMUNITY ASSOCIATION & TRIAL LAWYERS CHANGES

## 2024 STATUTORY CHANGES AFFECTING CONDOMINIUM ASSOCIATIONS, COOPERATIVE ASSOCIATIONS, HOMEOWNERS ASSOCIATIONS AND ALL COMMUNITY ASSOCIATIONS

This memorandum is furnished without charge to our community association clients.

The information in this update is a summary of recent changes in Florida Statutes. It is intended to provide general information and is not intended as legal advice to your particular community association. You are urged to contact your association's attorney regarding the specific applicability of this information to your association.

Prepared by Robert Burr, Esq., Florida Bar Board Certified in Condominium and Planned Development Law. References to the "Statute" refer to the applicable Statute(s) being amended. References to the "Division" refer to the Division of Florida Condominiums, Timeshares and Mobile Homes. The term "CAM" refers to a licensed community association manager. At the end of each area, we state in brackets [ ] the effective date, the applicable Statute(s) being changed or created, and the Senate Bill or House Bill creating the changes.

I. CHANGES SPECIFICALLY AFFECTING CONDOMINIUM ASSOCIATIONS: In 2024, the Florida Legislature made numerous changes affecting condominium associations. The major changes are in House Bill 1021.

Milestone Inspections: The Statute requiring milestone inspections for high-rise condominiums was revised to exclude certain small condominiums. Associations operating condominiums with single family, 2 family, 3 family or 4 family dwellings, with 3 or fewer habitable stories above ground, are not required to have milestone inspections. [Effective date July 1, 2024; applicable Statute F.S. 553.899; Bill reference HB 10211

Prohibition on "Kickbacks": The Statutes creating potential criminal liability for officers, directors or managers who solicit, offer to get or accept a "kickback" has been

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refined. The Statute previously stated that an officer, director or manager who solicits, offers to accept or accept anything of service or value or kickback for which consideration has not been provided, can be guilty of a felony in the third degree. Further, the officer or director would be removed from office and a vacancy declared. The Statutes have been refined to define "kickback" as meaning anything or service of value, for which consideration has not been provided, for an officer, director or manager's own benefit or that of his or her immediate family. [Effective date July 1, 2024; applicable Statutes F.S. 718.103(20) and F.S. 718.111(1); Bill reference HB 1021]

Insurance Fidelity Bond Requirement: If the Division receives a complaint that a condo association is not maintaining insurance or a fidelity bond for persons who control or disburse funds, the Division has authority to monitor the matter and issue fines or penalties. [Effective date July 1, 2024; applicable Statute F.S. 718.111(11); Bill reference HB 1021]

Official Records – E-Mail Addresses and Fax Numbers: Unit owner e-mail addresses and fax numbers kept by a condo association are only accessible to other unit owners if the owners either consent to receive notice by electronic transmission or if the unit owner has expressly indicated that such personal information can be shared with other unit owners and the unit owner has not provided a request to opt out of such dissemination. The association must ensure that the e-mail addresses and fax numbers are only used for business operation of the association and may not be sold or shared with outside third parties. If such personal information is to be released to third parties other than unit owners, the association must redact such personal information.

<u>List of Official Records Revised</u>: The list of the required official records is revised. The official records must include all invoices, transaction receipts or deposit slips that substantiate any receipt or expenditure of funds by the association. The official records must include a copy of all building permits. The official records must include a copy of all satisfactorily completed board member educational certificates.

<u>Maintenance of Official Records</u>: The official records must be maintained in an organized manner that facilitates inspection of records by unit owners. If official records are lost, destroyed or otherwise unavailable, the association's obligation includes a good faith obligation to obtain and recover those records as is reasonably possible.

If requested official records are posted on an association's website or available through a download on an application on a mobile device, the association may fulfill its obligations by directing the owner to the website or application.

<u>Association to Provide Checklist</u>: When a written request to inspect records is made, the condo association must simultaneously provide the requester with a checklist of all records made available for inspection and copying. The checklist must also identify any

official records that were not made available to the requester. The association must maintain the checklist as an official record for 7 years. An association delivering the checklist pursuant to this provision creates a rebuttable presumption that the association has complied with its obligation to provide access to records.

<u>Official Records on Website</u>: For those condo associations that are required to maintain a website, the association is required to post on the website copies of all building permits issued for ongoing or planned construction. [Effective date July 1, 2024; applicable Statute F.S. 718.111(12); Bill reference HB 1021]

Most Condo Associations are Required to Have Website: The State has amended Florida Statute 718.111(12)(g) with this particular change to take effect January 1, 2026. Previously the Statute provided that condominiums with 150 or more units must comply with the website requirement. The Statute has been changed to require, effective July 1, 2026, condominiums with 25 or more units, to comply with this website requirement. [Effective date January 1, 2026; applicable Statute F.S. 718.111(12)(g); Bill reference HB 1021]

Potential Criminal Penalties Regarding Official Records Violations: A director or community association manager who knowingly, willfully and repeatedly violates certain provisions in the Statute regarding access to official records commits a misdemeanor of the second degree. The director must be removed from office and a vacancy declared. For purposes of this subparagraph, the term "repeatedly" means 2 or more violations within a 12 month period. Further, a person who knowingly or intentionally defaces or destroys accounting records or knowingly or intentionally fails to maintain accounting records can be deemed to have committed a misdemeanor of the first degree. If the person is a director, the director must be removed from office and a vacancy declared.

A person who willfully and knowingly refused to release official records with the attempt to avoid or escape detection, arrest or trial or punishment for the commission of a crime or to assist other persons with such avoidance or escape commits a felony. If the person is a director, the director must be removed from office and a vacancy declared. [Effective date July 1, 2024; applicable Statute F.S. 718.111(12); Bill reference HB 1021]

<u>Debit Cards</u>: A person who uses a <u>debit</u> card obligating the condo association for an expense that is not a lawful obligation of the association commits "theft" and must be removed from office and a vacancy declared. The term "lawful obligation" means the obligation was properly preapproved at a board meeting and reflected in minutes or in the budget. [Effective date July 1, 2024; applicable Statute F.S. 718.111(15); Bill reference HB 1021]

<u>Year-End Financial Reporting</u>: An association is required to deliver to unit owners a copy of the year-end financial report. The method to accomplish this delivery has been

expanded to include U.S. mail, personal delivery, e-mail address or facsimile number which the owner provided to fulfill the association's notice requirements.

The Statute allows associations to take a unit owner vote to reduce the type of year-end financial report prepared – example reduce "audited" financial statement to "compiled" statement. The Statute has been amended to state that such reduction cannot occur for consecutive fiscal years. [Effective date July 1, 2024; applicable Statute F.S. 718.111(13); Bill reference HB 1021]

<u>Board of Directors' Meetings</u>: For associations of more than 10 units, the board must have a board meeting at least once each quarter. At least 4 times per year, the board meeting agenda must include an opportunity for unit owners to ask questions of the board. The right to ask questions includes reports on the status of construction or repair projects, the status of revenues or expenditures during the current year, or other issues affecting the condominium.

Notice of any board meeting at which regular or special assessments against unit owners are to be considered must specifically state that assessments will be considered and provide an estimated cost and description of the purposes for such assessments. If the board meeting agenda items relate to approval of a contract for goods or services, a copy of the contract must be provided with the notice and be made available for inspection and copying upon written request from a unit owner or made available for on the association's website or through an application that can be downloaded on a mobile device. [Effective date July 1, 2024; applicable Statute F.S. 718.112(2)(c); Bill reference HB 1021]

Increased Director Education Requirements: Previously a director could provide a written certification or take a director certification course. The written statement option has been eliminated -- an education course will now be required. The education curriculum must now be at least 4 hours long and include instruction on milestone inspections, structural integrity reserves, elections, recordkeeping, financial literacy and transparency, levying of fines, and notice of meeting requirements. The Statute provides that the education curriculum must be administered by the Division or a Division – approved education provider. Each newly elected or appointed director must submit to the association secretary a written certification of the educational certificate within 1 year before being elected or within 90 days after being elected or appointed. A director elected or appointed before July 1, 2024, must comply with the education requirements by June 30, 2025. The education requirement is valid for 7 years from the date of issuance.

This education requirement also applies to directors appointed by the developer. There are specific provisions applicable to developer appointed directors.

[Effective date July 1, 2024; applicable Statute F.S. 718.112(2)(d); Bill reference HB 1021]

Pause in Reserve Contributions if Entire Building Determined Uninhabitable Due to Natural Emergency: If a local building official determines that the entire condominium building is uninhabitable due to a natural emergency, the building official has the authority to pause the association being required to contribute to reserves or can reduce the reserve funding requirements until the building official determines that the building is habitable.

<u>Structural Integrity Reserves for High-Rise Condominiums</u>: Within 45 days after the association receiving the "structural integrity reserve study", the association must distribute a copy to all unit owners or deliver a notice that the completed study is available upon a written request. The methods to accomplish the delivery have been expanded to include electronic transmission if the owner consented to electronic transmission. Further, within 45 days after receiving the structural integrity reserve study, the association must provide the Division with a statement. The statement must be provided using the form created by the Division.

[Effective date July 1, 2024; applicable Statutes F.S. 718.112(2)(f) and (2)(g); Bill reference HB 1021]

**Removal of Directors for Certain Offenses:** A director or officer charged by law enforcement or a court by issuance of a charging "information" or "indictment" -- for any of the following crimes -- must be removed from office:

- a. Forgery of valid envelope or a voting certificate;
- b. Theft or embezzlement involving association funds or property;
- c. Destruction or refusal to allow inspection or copying of any official record in furtherance of a crime;
- d. Obstruction of justice;
- e. Any criminal violation under Chapter 718.

In such situation, the board shall fill the vacancy in accordance with law.

[Effective date July 1, 2024; applicable Statute F.S. 718.112(2)(q); Bill reference HB 1021]

<u>Fraudulent Voting Activities Relating to Condo Association Elections</u>: A person who engages in the following acts of <u>fraudulent voting activity relating to association elections</u> commits a misdemeanor of the first degree:

a. Willfully and falsely swearing to or affirming any oath or affirmation or procuring another person to do so;

- b. Perpetrating or attempting to perpetrate or aiding in the perpetration of fraud in connection with election voting;
- c. Preventing a unit owner from voting by fraudulently changing or attempting to change a ballot, ballot envelope or voting certificate;
- d. Menacing, threatening or using bribery or other corruption to influence or deter a member from voting;
- e. Giving or promising directly or indirectly anything of value to a unit owner with an attempt to buy a vote. This does not apply to food served which is served at an election rally or meeting for which a nominal value is given;
- f. Using or threatening to use, directly or indirectly, force, violence or intimidation regarding voting.

Further, the following acts relating to association elections can also constitute a misdemeanor of the first degree:

- a. Knowingly aiding, abetting or advising a person in the commission of a crime of fraudulent voting activity;
- b. Agreeing, conspiring or confederating with another person to commit fraudulent voting activity;
- c. Helping to avoid an offender escape punishment.

[Effective date July 1, 2024; applicable Statute F.S. 718.112(2)(r); Bill reference HB 1021]

<u>Hurricane Protection</u>: A condo association -- with approval of the majority of the voting interests of the unit owners -- may require unit owners to install hurricane protection -- meaning shutters or windows. A unit owner vote is not required if the association amended its declaration of condominium to require unit owners to install such hurricane protection. The vote would need to be consistent with the existing declaration provisions regarding responsibility for maintenance, repair and replacement of windows and doors.

If the association needs to remove or reinstall hurricane protection, including exterior windows, doors or other apertures because removal is necessary to repair the condominium property, the association cannot charge the unit owner for such removal and reinstallation. The board shall determine if the removal or reinstallation must be completed by the unit owner or the association. If the unit owner completes the removal and reinstallation, the association must reimburse the unit owner for the cost of removal or reinstallation or must apply credit towards future assessments in the amount of such costs.

The amount that the association charges unit owners is not a common expense but is based on the cost applicable to each particular unit. The association may collect the cost as an assessment and lien.

In the situation where the association is approved to install hurricane protection on units, the provisions affecting the amount the association can assess unit owners is revised.

Please note that these statutory provisions regarding imposing and allocating costs for hurricane protection related work are awkwardly worded, and will need close analysis and possibly clarification.

[Effective date July 1, 2024; applicable Statutes F.S. 718.113 and 718.115; Bill reference HB 1021]

Statute of Limitations for Condo Association Court Actions Against Developer: The latest statute of limitations (called a statute of repose) on when a condo association can sue the developer has been revised based on the time the unit owners have elected a majority of the members of the board. [Effective date July 1, 2024; applicable Statute F.S. 718.124; Bill reference HB 1021]

Prohibition on Certain Litigation by Condo Associations Against Unit Owners: A condo association may not fine or take other punitive or enforcement actions against a unit owner based on a unit owner complaining in good faith to a governmental agency; participating in a unit owners' organization; attempting to file criminal violations or complaints with the Division or law enforcement; a unit owner exercising his rights under Chapter 718; complaints made to the association for failure to comply with law; making public statements critical of the association or management and a condominium association may not expend association funds in support of these types of actions. [Effective date July 1, 2024; applicable Statute F.S. 718.1224; Bill reference HB 1021]

**Electronic Voting:** If a condo board authorizes online voting, the board must honor a unit owner's request to vote electronically at all subsequent elections unless the owner opts out of online voting. [Effective date July 1, 2024; applicable Statute F.S. 718.128(4); Bill reference HB 1021]

<u>Director Conflicts of Interest</u>: If a condo director has a possible conflict of interest, the board member's attendance at a board meeting may constitute a quorum for the board meeting. [Effective date July 1, 2024; applicable Statute F.S. 718.3027(4); Bill reference HB 1021]

<u>Suspension of Voting Rights</u>: If a condo association wants to suspend a unit owner's voting rights for an election, based for nonpayment of a fee or other monetary obligation, the association must notify the unit owner at least 90 days before the election if the voting rights are suspended. [Effective date July 1, 2024; applicable Statute F.S. 718.303(5); Bill reference HB 1021]

<u>Division of Florida Condominiums</u>: The Division historically has a role in investing and resolving complaints filed by unit owners concerning violation of Florida Statutes Chapter 718 or the Rules created by the Division. The relevant Statute was amended to limit the Division's jurisdiction to investigate such unit owner complaints to the following:

- a. Procedural aspects and records relating to financial issues, including annual financial reporting, assessments, fines, reserves, budgets, financial records, and other financial related matters;
- b. Elections:
- c. The maintenance of and unit owner access to association official records;
- d. Procedural aspects of meetings including owner meetings and board meetings;
- e. Disclosure of conflicts of interest;
- f. Removal of board members or officers;
- g. Procedural completion of structural integrity reserve studies;
- h. "Written inquiries" made by unit owners to associations.

New Director Education Requirements: With regard to the new director education requirements, the Division shall provide a template certificate for providers to issue. The Division shall adopt rules and regulations to complete these education requirements. [Effective date July 1, 2024; applicable Statute F.S. 718.501; Bill reference HB 1021]

<u>II. CHANGES SPECIFICALLY AFFECTING COOPERATIVE ASSOCIATIONS</u>: The Legislature has made some changes affecting cooperative associations as follows.

Structural Integrity Reserve Study for High-Rise Cooperatives: Within 45 days after the coop association receiving the structural integrity reserve study, the association must distribute a copy to all unit owners or deliver a notice that the completed study is available upon a written request. The methods to accomplish the delivery have been expanded to include electronic transmission if the owner consented to electronic transmission. Further, within 45 days after receiving the structural integrity reserve study, the association must provide the Division with a statement. The statement must be provided using the form created by the Division. [Effective date July 1, 2024; applicable Statute F.S. 719.106; Bill reference HB 1021]

**Electronic Voting:** If a coop board authorizes online voting, the board must honor a unit owner's request to vote electronically at all subsequent elections unless the unit owner opts out of the online voting. [Effective date July 1, 2024; applicable Statute F.S. 719.129; Bill reference HB 1021]

III. CHANGES SPECIFICALLY AFFECTING HOMEOWNERS ASSOCIATIONS: The Florida Legislature has, in 2024, made a number of significant changes affecting

homeowners associations. The major changes are in House Bill 1203, House Bill 59, House Bill 293 and House Bill 1645.

<u>Community Association Managers Required to Provide Certain Services to an HOA</u>: A community association manager (CAM) or management firm who is providing services to an HOA is required to do all of the following:

- a. Attend in person at least one lot owner meeting or board meeting of the HOA annually;
- b. Provide to the lot owners the name and contact information for each manager or representative of the management firm assigned to the HOA; the manager or representatives hours of availability; and a summary of the duties of the manager or representative. The HOA shall also post this information on the association's website or web application;
- c. Provide to any lot owner upon request a copy of the contract between the CAM or the management firm and the HOA and include such contract with the association's official records.

<u>Continuing Education for CAMs</u>: There are specific requirements that CAMs receive a certain number of continuing education hours each year specifically intended for homeowners associations. [Effective date July 1, 2024; applicable Statute F.S. 468.4334 and 468.4337; Bill reference HB 1203]

<u>Official Records</u>: The Statute was revised to provide that HOA official records shall be retained for at least 7 years. An HOA must adopt written rules or a policy regarding retention of official records and make that information available to unit owners.

Website or Web Application Requirement: By January 1, 2025 an HOA with 100 or more lots is required to post an enumerated list of documents on the HOA's website or application that can be downloaded through a mobile device. This list includes most of what constitutes the association's official records. The requirement also includes notices of scheduled meetings be posted on the website or application. Protected information which is not accessible to unit owners shall not be posted on the website or application.

Potential Criminal Penalties Regarding Official Records Violations: Any director or manager who knowingly, willfully and repeatedly violates the requirements for lot owner access to official records with the intent of causing harm to the association or one or more lot owners commits a misdemeanor in the first degree. The term repeatedly means 2 or more violations within a 12 month period. Further, a person who knowingly and intentionally defaces or destroys official records or knowingly or intentionally fails to create or maintain official records with the intent of causing harm to the association commits a misdemeanor in the first degree. Any person who willfully and knowingly refuses to release or otherwise produce association records with the intent to avoid or

escape detection, arrest or trial or punishment or assists another person with such avoidance or escape commits a felony in the third degree.

<u>Law Enforcement Subpoenas</u>: If an HOA receives a subpoena for records from a law enforcement agency, the HOA must provide a copy of such records or otherwise make the records available within 5 business days after receipt of the subpoena. An association must assist a law enforcement agency in its investigation to the extent permissible by law. [Effective date July 1, 2024; applicable Statute F.S. 720.303(4) and (5); Bill reference HB 1203]

Year-End Financial Reporting: An association with at least 1,000 parcels is required to prepare audited year-end financial statements. Further, if an HOA chooses to waive down (by lot owner vote) the level of year-end financial reporting (example "audited" financial statement waived down to "compiled" financial statement), that waive down cannot be done for consecutive fiscal years. [Effective date July 1, 2024; applicable Statute F.S. 720.303(7); Bill reference HB 1203]

<u>Debit Cards</u>: An HOA and its officers, directors, employees and agents are not permitted to use a debit card issued in the name of the association or billed directly to the association for payment of association expenses. 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. For purposes of this section the term "lawful obligation" means an obligation that has been properly preapproved by the board is reflected in meeting minutes or the written budget. [Effective date July 1, 2024; applicable Statute F.S. 720.303(13); Bill reference HB 1203]

Requirement to Provide an Accounting: A lot owner may make a written request to the HOA board for a detailed accounting of any amounts he or she owes to the association, and the board shall provide such information within 15 business days after receipt of a written request. After a lot 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 for a detailed accounting constitutes a complete waiver of any outstanding fines imposed on the person which are more than 30 days past due and for which the association has not given prior written notice of the imposition of fines. [Effective date July 1, 2024; applicable Statute F.S. 720.303(14); Bill reference HB 1203]

Education Requirements for New HOA Officers and Directors: Within 90 days after being elected or appointed, the HOA director must submit a certificate having completed the education curriculum presented by a Florida Department of Business Professional Regulation approved education provider. The option of the director providing a certificate -- instead of taking a course -- is eliminated. The certificate of completion for the course is valid for up to 4 years. The State approved education curriculum specific

for the HOA directors must include training relating to financial literacy and transparency, recordkeeping, levying of fines and notice and meeting requirements.

<u>Continuing Education Requirement</u>: In addition to the new director education, an ongoing director of an HOA must complete at least 4 hours of continuing education annually.

The Division is required to adopt rules to implement the education curriculum and continuing education requirements.

[Effective date July 1, 2024; applicable Statute F.S. 720.3033(1); Bill reference HB 1203]

<u>Kickbacks</u>: An HOA officer, director or manager who knowingly solicits, offers to accept or accepts a kickback can be guilty of a felony in the third degree. Further, a director or officer charged by issuance of an "information" or "indictment" for violation with any of the crimes referenced in Chapter 720 must be removed from office and a vacancy declared. [Effective date July 1, 2024; applicable Statute F.S. 720.3033(3); Bill reference HB 1203]

<u>Architectural Control</u>: An HOA cannot restrict the following type of work on lots and homes:

- 1. Work 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;
- 2. An HOA cannot require review and approval of plans for a central air conditioning, refrigeration, heating or ventilation system if such system is not visible from the lot's frontage, an adjacent parcel, an adjacent common area or a community golf course and is substantially similar to the system that is approved or recommended by the association.

If an HOA denies a lot owner's request for construction of a structure or other improvement, the association must provide written notice specifically stating the rule or covenant involved and the specific aspect of the improvement that does not conform to the rule or covenant.

[Effective date July 1, 2024; applicable Statute F.S. 720.3035; Bill reference HB 1203]

<u>Hurricane Protection</u>: An HOA board is required to adopt "hurricane protection specifications" for lot owners. This refers to specifications for shutters and other hurricane protection items lot owners install. An HOA may not deny a lot owner's request for installation, enhancement or replacement of hurricane protection which conforms to the association's specifications. The board may require the lot owner to

adhere to an existing unified building scheme regarding external appearance. Hurricane protection includes but is not limited to roof systems, storm shutters, hurricane impact resistant windows and doors, polycarbonate panels, reinforced garage doors, erosion controls, exterior fixed generators, field storage tanks and other hurricane protection used to preserve and protect structures or improvements on a lot. [Effective immediately; applicable Statute F.S. 720.3035; Bill reference HB 293]

Restricting Items Placed on a Lot: Previously, Florida Statute 720.3045 was adopted which limits certain HOA restrictions on owners placing items on their lots. In 2024, the Statute has been revised. An HOA may not restrict a lot owner or their tenants from installing, displaying or storing any items on a lot which are not visible from the lot's frontage, an adjacent lot, an adjacent common area, or a community golf course. The term "items" includes but is not limited to artificial turf, boats, flags, vegetable gardens, clotheslines and recreational vehicles. The terms adjacent common area, community golf course, vegetable gardens and clotheslines were added – meaning if the items are visible from those areas, the HOA can restrict the items. Also the terms vegetable gardens and clothes lines were added as being protected. [Effective date July 1, 2024; applicable Statute F.S. 720.3045; Bill reference HB 1203]

Fines and Suspension of Use Rights Enforcement Remedies: The HOA fining statute Florida Statute 720.305 has been amended. The hearing before the fining committee must be held within 90 days after the HOA issues the notice to the owner regarding such hearing. The HOA may hold the committee hearing by telephone or other electronic means. Within 7 days after the committee hearing, the committee must provide written notice to the lot owner regarding the fine or suspension imposed including what is needed to cure the violation, and if applicable to fulfill a suspension or the date by which the fine must be paid.

\*\*If a violation has been cured before the fining committee hearing or in the manner specified in the association's notice, the fine or suspension may not be imposed.\*\*

If the violation is not cured and the fine levied by the board is approved by the committee, the committee must set a date by which the fine must be paid, which date must be at least 30 days after delivery of the written notice following the committee hearing.

Attorney's 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.

If the violation and the proposed fine or suspension is not cured by the deadline in the committee's notice, reasonable attorney's fees may be awarded to an HOA. Attorney's fees and costs may not begin to accrue until after the date noticed for payment and the time for an appeal has expired.

Fines or suspensions may not be imposed for any of the following:

- a. Leaving garbage receptacles out within 24 hours before or after the designated collection day or time;
- b. Leaving holiday decorations or lights longer than indicated unless they are left for longer than one week after the HOA provides written notice of the violation to the owner.

Some of these fining and suspension statute changes are awkwardly worded, and will need further analysis and clarification.

[Effective date July 1, 2024; applicable Statute F.S. 720.305; Bill reference HB 1203]

<u>Fraudulent Voting and Penalties</u>: The following acts constitute a first degree misdemeanor:

- a. Knowingly aiding, abetting or advising a person in the commission of fraudulent voting activity for an election;
- b. Agreeing, conspiring or combining or confederating with another person for fraudulent voting activity relating to an election;
- c. Having knowledge of fraudulent voting activity and giving aid to the offender to avoid punishment.

[Effective date July 1, 2024; applicable Statute F.S. 720.3065; Bill reference HB 1203]

<u>Pickup Trucks, Personal Vehicles and Work Vehicles</u>: <u>HOAs cannot prohibit a lot owner, tenant or guest or an invitee of the lot owner from parking his or her personal vehicle, including a pickup truck in the driveway or other area which the property owner or tenant's guest or invitee has the right to park.</u>

Further, an HOA cannot prohibit a lot owner, or a tenant or guest or invitee of the lot owner from parking his or her "work vehicle" which is not a "commercial motor vehicle" as defined in Florida Statute 320.01(25) in the driveway. The limitation on the HOA applies regardless of any "official insignia or visible designation" on the "work vehicle". Further, an HOA cannot prohibit a lot owner from operating a vehicle that is not a "commercial motor vehicle" as defined in Florida Statute 320.01(25) within the community.

Florida Statute 320.01(25) defines a "commercial motor vehicle" as any vehicle which uses special fuel or motor fuel on public highways and which has a gross vehicle weight of 26,001 pounds or more, OR has 3 or more axles regardless of weight, OR is used in combination when the weight of such combination exceeds 26,001 pounds gross vehicle weight. The term "gross vehicle weight" means the net weight of vehicle plus the weight of the load carried by the vehicle. [Florida Statute 320.01(7)]. It would therefore

appear that most "work vehicles" used by individuals would not constitute a "commercial motor vehicle." However, this Statute will require further analysis and evaluation.

<u>Limiting Contractors and Workers</u>: An HOA cannot prohibit a lot owner from bringing in a contractor or worker to work on the owner's lot solely because the contractor or worker is not a preferred vendor list of the association. Further, an HOA cannot prevent a lot owner from inviting, hiring or allowing entry by a contractor or worker on his or her lot solely because the contractor or worker does not have a professional or an occupational license. An HOA may not require a contractor or worker to present or prove possession of a professional or an occupational license, to be allowed entry into a lot.

[Effective date July 1, 2024; applicable Statute F.S. 720.3075; Bill reference HB 1203]

<u>Collection of Assessments</u>: An HOA cannot collect "compound" interest. [Effective date July 1, 2024; applicable Statute F.S. 720.3085; Bill reference HB 1203]

HOAs could not prohibit law enforcement vehicles. The Statute has been revised to provide that an HOA cannot prohibit "first responder" vehicles as defined in Florida Statute 112.1815(1). Florida Statute 112.1815(1) defines "first responder" vehicles as a law enforcement officer, a firefighter, an emergency medical technician or a paramedic employed by the state or a local government. A volunteer law enforcement officer, firefighter or emergency medical technician or paramedic engaged by the state or local government is also considered a first responder. [Effective date July 1, 2024; applicable Statute F.S. 720.318; Bill reference HB 1203]

Official Records -- Requirement to Annually Provide Copies of Rules and Covenants: By October 1, 2024, an HOA is required to provide a physical or digital copy of the HOA's rules and covenants to every lot owner. Thereafter, there is an obligation for an HOA to provide a physical or digital copy of rules and covenants to every lot owner including amendments and updates. This requirement can be complied with by posting a copy on the website. The association must send a notice to lot owners that the rules and covenants are available on the website. The notice must be sent by electronic mail to owners consenting to such notice or by U.S. mail. [Effective date July 1, 2024; applicable Statute F.S. 720.305(13); Bill reference HB 59]

HOA Cannot Prohibit Fuel Sources that Serve Customers in the Area: HOA documents cannot preclude fuel sources which are legally provided to customers in area such as propane and natural gas and cannot preclude appliances that use such fuel sources. [Effective date July 1, 2024; applicable Statute F.S. 720.3075(3); Bill reference HB 1645]

IV. CHANGES AFFECTING ALL TYPES OF COMMUNITY ASSOCIATIONS: The Florida legislature made some changes regarding community association managers (CAMs) which affects all types of community associations.

<u>Community Association Managers – Return of Official Records</u>: A community association manager or management firm is required to return all community association records within 20 business days after termination of the contract for receipt of a written request whichever occurs first. The written request must be sent by certified mail or in the manner set forth in the contract. The manager may retain, for up to 20 business days, those records needed to complete an ending financial statement or report. Failure to timely return all official records creates a rebuttal presumption of willful noncompliance and is subject to suspension of the CAM license or civil penalty.

Community Association Manager – Conflicts of Interest: A community association manager or management firm must disclose to the board any activity that may be reasonably construed to be a conflict of interest. The Statute lists certain events which create a rebuttable presumption of a conflict of interest. This includes separate contracts involving representatives of the community association manager or management firm, contracts involving relatives, bids received for other than community association management services, and other factors. If a community association manager or management firm proposed to engage in an activity that is a conflict of interest, there must be strong disclosure on the next board meeting agenda, and the contract must be approved by at least two-thirds of all directors present. There is further disclosure requirements at the next members' meeting. If the board finds that the CAM or CAM firm violated this statute, there is a right for the association to cancel the contract with the association only being responsible for the reasonable value of management services provided up to the time of cancellation. There is a further right where there is no proper disclosure made for the board to void the contract. community association manager or firm failing to disclose a conflict of interest is grounds for disciplinary proceedings with the State of Florida. [Effective date July 1, 2024; applicable Statutes F.S. 468.4334, 468.4335 and 468.436; Bill reference HB 1021]

-End-

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