2024 LEGISLATION IMPACTING ON COOPERATIVE ASSOCIATIONS

Steven M. Falk, Esq.
Falk Law Firm, P.A.
7400 Trail Blvd., Suite 103
Naples, FL 34108
sfalk@falklawpa.com
(239) 596-8400

House Bill 1021 will become effective on July 1, 2024. Although HB 1021 has not been signed into law yet, it is unlikely that the Governor will veto it.

Below is a summary of the revisions to the Cooperative Act that will become effective on July 1st.

SIRS (Structural Integrity Reserve Study)

This legislation relates only to cooperative buildings that are 3 stories or more.

The Cooperative Act was amended to provide that within 45 days of receiving a SIRS, the Cooperative Association must provide a copy to each owner or notify the owners of its availability. The SIRS itself or notice of availability must be sent by U.S. mail, personal delivery or by email if the owner has consented to receive notices via email.

Within 45 days after receiving the SIRS, the Cooperative Association must provide the Division of Florida Condominiums (notwithstanding the name, this agency has jurisdiction over cooperatives) with a statement that the SIRS was completed and that the Cooperative Association provided or made the SIRS available. The statement must be provided to the Division in the manner established by the Division using a form posted on the Division's website.

Electronic Voting

The Cooperative Act was amended to permit a member to electronically consent to voting through an Internet-based online voting system.

Community Association Managers and Community Association Management Companies

A terminated community association manager or a community association management company must provide the Cooperative Association's official records to the Cooperative Association within 20 business days after termination of the management agreement or receipt of a written request for return of the official record, whichever occurs first, except that the terminated community association manager or management company may retain, for up to 20 business days, those records necessary to complete an ending financial statement or report.

Notice of termination of the management agreement must be sent by certified mail, return receipt requested, or in the manner required under the management agreement.

Conflicts of Interest

Requires written disclosure to the Cooperative Association's board by a community association manager, community association management company or any director, officer and person with a financial interest in the company or a relative who is related within the third degree of consanguinity blood or marriage, of any conflict of interest, including a contract or business with the Cooperative Association for other than management services.

In such an instance, if the bid for goods or services exceeds $2,500, the Cooperative Association must solicit multiple competitive bids from other providers. Disclosure of the conflict must be disclosed in agenda text and attachments and meeting minutes. Board approval of a contract or transaction with a conflict requires approval by 2/3 of the Directors present, and disclosure at the next membership meeting, unless the conflict is disclosed in the management services contract. A violation allows the Cooperative Association to cancel the contract for management services without penalty and subjects the manager or management company to discipline by DBPR.