

**Ken Lawson**, Secretary

**Rick Scott**, Governor

September 30, 2011

Dear Interested Parties:

As required by Chapter 718.501(1)(s), FS, the Division of Florida Condominiums, Timeshares, and Mobile Homes annual report for fiscal year 2010-2011 is attached. This report details the division's enforcement of the laws governing the development, construction, sale, lease, ownership, operation and management of residential condominium units under Chapter 718, Florida Statutes.

Included with this report are the:

1. The number of training programs provided for condominium association board members and unit owners;
2. The number of complaints received by type;
3. The number and percent of complaints acknowledged in writing within 30 days as required by section 718.501(1) (m), Florida Statutes;
4. The number and percent of investigations acted upon within 90 days as required by section 718.501(1) (m), Florida Statutes;
5. The number of investigations that are in excess of the 90-day requirement; and
6. Recommendations for making improvements to the Division's core business processes and legislative changes.

The Division continues to monitor our complaint handling process to identify improvements in the response time and other efficiencies which can be achieved or maximized.

We strive to continuously improve the level of service provided to Florida's condominium residents.

Sincerely,



Ken Lawson, Secretary

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**Rick Scott**, Governor

**Division of Florida Condominiums, Timeshares, and Mobile Homes  
Annual Report**

**Fiscal Year 2010-2011**

**1. Number of training programs provided for condominium association board members and unit owners.**

During fiscal year 2010-11 the Division provided the following courses for unit owners and association board members:

- Board Member Responsibilities
- Budgets and Reserves
- Elections
- Financial Reporting
- 2010 Legislative Updates (Newly added)
- The Complaint Process (Newly added)

Forty two (42) sessions around the State reached 3,488 attendees. (Almost double the number from last year.). Additionally, the Division produced and distributed, at the request of the public, a free condominium educational CD along with a new CD specifically for cooperatives. From July 1, 2010 through June 30, 2011, the Division distributed 2,314 condominium educational CDs.

**Attendees of Training Classes: 3,488**

**Condominium Educational CDs (English) distributed: 2,263**

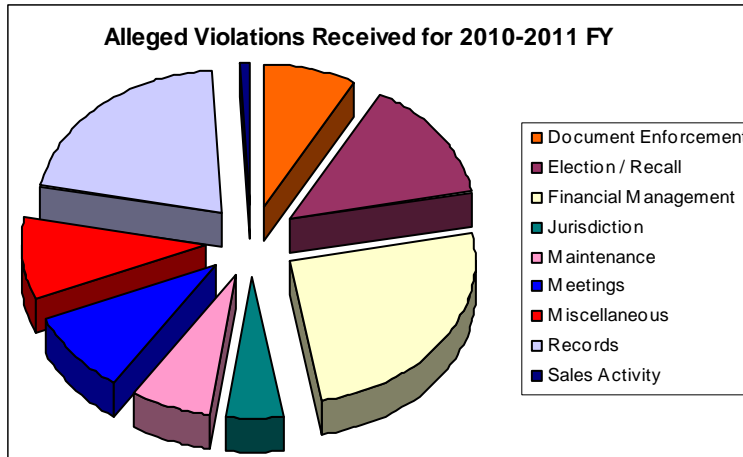
**Condominium Educational CDs (Spanish) distributed: 51**

**2. Number of condominium complaints received by type.**

Chapter 718, Florida Statutes, does not categorize complaints by "type." Accordingly, the Division does not register complaints by type, but does maintain the alleged violations cited in complaints in an accessible database. Complaints are grouped in nine broad categories to allow for a greater understanding of the wide range of violations that are received.

A total of 1,880 complaints (which contained 3,040 alleged violations) were

received between July 1, 2010 and June 30, 2011. A breakdown of the alleged violations follows:



**Alleged Violation Categories for Fiscal Year:**

Document Enforcement	245	13.05%
Election/Recall	423	22.54%
Financial Management	769	40.97%
Jurisdiction	150	7.99%
Maintenance	221	11.77%
Meetings	277	14.76%
Miscellaneous	286	15.24%
Records	646	34.42%
Sales Activity	23	1.23%
<b>Total Allegations</b>	<b>3,040</b>	

**The three categories receiving the most complaints for fiscal year 2009-2010 were:**

**Financial Management, Records, and Election/Recall issues.**

**3. Number and percent of complaints acknowledged in writing within 30 days.**

Section 718.501(1)(m), Florida Statutes, requires that the Division must acknowledge the complaint in writing within 30 days after receipt of a complaint. This acknowledgment notifies the individual as to whether their complaint is within the Division's jurisdiction, and if so, requests additional information if necessary.

Of the 1,880 complaints addressed by the Division, 3 were initiated by the division. Of the remaining 1,877 complaints, 1,807 were acknowledged within the 30-day threshold.

**96% of complaints (1,807 of 1,877) acknowledged within 30 days**

**4. Number and percent of investigations acted upon within 90 days.**

All complaints (100%) were acted upon within the 90-day requirement. A complaint is acted upon when received and includes entering the complaint into our case tracking system, acknowledging the complaint in writing, and contacting the complainant by telephone within 24-48 hours.

However, for reporting purposes and consistent with chapters 61B-20 and 21, Florida Administrative Code, the Division also tracks the resolution of complaints resolved, by issuing an information letter, warning letter, or an administrative action (consent orders or notices to show cause), within 90 days.

Of the 1,880 complaints received July 1, 2010 to June 30, 2011, 1,567 (83%) were resolved within 90 days or less.

**83% of complaints (1,567 of 1,880) resolved within 90 days.**

**5. The number of investigations exceeding 90 days.**

Section 718.501(1)(m), Florida Statutes, requires that the Division to provide the complainant with monthly updates on the status of our investigation if it exceeds 90 days.

Of the 1,880 investigations initiated by condominium unit owners, 292 investigations exceeded the 90-day resolution threshold. Included in the factors for an investigation not being resolved in 90 days includes: case complexity, difficulty gathering evidence, uncooperative witnesses, and due process considerations.

**16% of investigations (292 of 1,880) exceeded 90 days.**

**6. The department shall evaluate the division's core business processes and make recommendations for improvements, including statutory changes.**

The Department has proposed to amend the timeframes for challenging an election and for recalling association board members. The Florida Condominium Act limits association board member terms to one-year, unless the association opts for staggered two year terms. Currently, unit owners have an unfettered ability to challenge board member elections or recalls. To minimize the disruption associated with challenging the results of an election, in some instances, 6 months later, the Division is proposing to limit the opportunity to challenge the results of an election or recall to within 30 days of the election date. Similarly, unit owners have an unfettered opportunity to recall an elected board member, even on the heels of an election. The Division is proposing to eliminate the option to recall a board member within the first 60 days of their elected term and also preclude a recall within 60 days of a scheduled election. The Division believes these two statutory changes will minimize the turmoil associated with a protracted election challenge or a recall that overlaps the notice of a pending election, thus allowing condominium associations to operate more efficiently.