



October 22, 2024

The Meadows

At World Golf Village

Saint Augustine, FL 32092

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Florida HOA Law Update: New Rules for Director Education & Duties

On May 31, 2024, the Florida Governor approved House Bill 1203, introducing wide ranging significant changes to Section 720 of the Florida Statutes governing Homeowners Associations (HOAs). The changes in this legislation took effect on July 1, 2024

Two of the amendments in House Bill 1203 bring about crucial updates to the education requirements and fiduciary duties of HOA directors and officers. As a homeowner or board member, it's essential to understand these changes and their implications for your community.

Education Requirements: Raising the Bar for HOA Leadership

The new law emphasizes the importance of knowledgeable and well-prepared HOA leaders. Here are the key education requirements now in place:

1. Newly Elected or Appointed Directors:
 - Within 90 days of election or appointment, directors must submit two important documents:
 - a) A written certification stating they have read the association's governing documents, will work to uphold them to the best of their ability, and faithfully discharge their duties.
 - b) A certificate of completion from an approved Homeowners Association education course specifically designed for newly elected or appointed directors.
2. Ongoing Education:
 - Directors must complete the education course for newly elected or appointed directors at least every four years.
 - The Board Certification remains valid for a four-year period.
3. Annual Continuing Education:
 - Directors are now required to complete a minimum of four hours of continuing education annually.

These enhanced education requirements aim to ensure that HOA leaders stay informed about best practices, legal obligations, and effective community management strategies. By investing in ongoing education, directors can better serve their communities and make more informed decisions.

Fiduciary Duties: Clarifying Responsibilities and Protections

The amendments to Chapter 720 now explicitly incorporate Section 617.0830 of the Florida Statutes, which outlines the fiduciary duties of officers and directors. This addition provides clearer guidance on the standards of conduct expected from HOA leaders. Let's break down the key aspects of these fiduciary duties:

1. Duty of Care: Directors must discharge their duties:
 - In good faith
 - With the care an ordinarily prudent person would exercise in similar circumstances
 - In a manner they reasonably believe to be in the best interests of the corporation (HOA)
2. Reliance on Information: Directors may rely on information, opinions, reports, or statements from:
 - Officers or employees they reasonably believe to be reliable and competent
 - Legal counsel, public accountants, or other professionals within their areas of expertise
 - Board committees, if the director reasonably believes the committee merits confidence
3. Good Faith Requirement: A director is not acting in good faith if they have knowledge that makes reliance on the above sources unwarranted.
4. Protection from Liability: Directors are not liable for actions taken or failures to act if they performed their duties in compliance with these standards.

The explicit inclusion of these fiduciary duties in Chapter 720 serves multiple purposes:

1. It provides clear guidelines for HOA directors and officers on how to fulfill their responsibilities.
2. It offers a framework for evaluating the conduct of board members in case of disputes or legal challenges.
3. It protects diligent and conscientious directors from unwarranted liability, encouraging capable individuals to serve on HOA boards.

Implications for HOA Communities

These changes to Florida's HOA law represent a significant step towards more professional and accountable community management. For homeowners, these new requirements should instill greater confidence in their elected leaders' ability to make informed decisions and act in the community's best interests.

For current and prospective HOA directors and officers, these changes underscore the importance of ongoing education and adherence to fiduciary duties. While the new requirements may seem demanding, they ultimately serve to protect both the community and its leaders.

Next Steps

As we move forward under these new regulations, the Board of Directors and Officers of The Meadows at World Golf Village HOA are working closely with our legal advisors to ensure full compliance. We are actively incorporating the required changes and making updates to our association's Rules and Regulations and Architectural Guidelines over the coming months.

The Board looks forward to these changes contributing positively to our goal of more effective governance, reduced conflicts, and enhanced property values within our community. We appreciate the patience and support of all our residents as we implement these important updates to better serve The Meadows at World Golf Village.