By the Committee on Regulated Industries

580-02613-22

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2 An act relating to community association building 3 safety; amending s. 718.103, F.S.; defining the term "alternative funding method"; amending s. 718.111, 4 5 F.S.; revising the types of records that constitute the official records of a condominium association; 6 7 specifying that renters of a unit have the right to 8 inspect and copy certain reports; requiring 9 associations to post a copy of certain reports and reserve studies on the association's website; revising 10 11 rulemaking requirements for the Division of Florida 12 Condominiums, Timeshares, and Mobile Homes of the 13 Department of Business and Professional Regulation; amending s. 718.112, F.S.; revising requirements for 14 15 association budgets; authorizing certain persons to vote to waive reserve contributions or reduce reserve 16 funding under certain circumstances; authorizing 17 18 reserves to be funded via the pooling method if 19 certain requirements are met; requiring certain 20 associations to periodically have a study conducted 21 relating to required reserves; requiring boards to 22 annually review the results of such study to determine 23 if reserves are sufficient; requiring the division to adopt rules; providing requirements for the reserve 24 25 study; requiring that reserve funds used for purposes other than authorized expenditures be reinstated 26 27 within a specified timeframe; requiring financial 28 reports to include specified disclosures relating to 29 reserve funds under certain circumstances; creating s.

A bill to be entitled

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580-02613-22 20227042 30 718.1123, F.S.; providing legislative findings; 31 defining the term "milestone inspection"; specifying 32 that the purpose of a milestone inspection is not to determine compliance with the Florida Building Code; 33 34 requiring that certain residential condominium 35 buildings have milestone inspections performed at 36 specified times; requiring boards to arrange for such 37 inspections; specifying that associations are responsible for costs relating to milestone 38 39 inspections; requiring that initial milestone 40 inspections for certain buildings be performed before a specified date; specifying that milestone 41 42 inspections consist of two phases; providing requirements for each phase of a milestone inspection; 43 44 requiring architects and engineers performing a 45 milestone inspection to submit a sealed copy of the 46 inspection report to certain entities; requiring 47 boards to distribute a copy of each inspection report to unit owners and publish the report on the 48 association's website under certain circumstances; 49 50 authorizing local enforcing agencies to prescribe 51 timelines and penalties relating to milestone 52 inspections; requiring associations to comply with 53 certain standards adopted by the Florida Building 54 Commission; amending s. 718.113, F.S.; requiring 55 associations to provide for the maintenance, repair, 56 and replacement of association property; requiring 57 associations to perform specified required maintenance 58 under certain circumstances; specifying that necessary

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580-02613-22 20227042 59 maintenance, repair, or replacement of association 60 property does not require unit owner approval; 61 specifying that associations are not liable for 62 certain expenses if a resident must vacate a unit or 63 is denied access to a common element for specified 64 reasons; amending s. 718.115, F.S.; authorizing boards 65 to adopt a special assessment or borrow money for 66 certain reasons without unit owner approval; conforming cross-references; amending s. 718.116, 67 F.S.; requiring that estoppel certificates contain 68 69 specified statements relating to reserves under 70 certain circumstances; conforming a cross-reference; 71 amending s. 718.1255, F.S.; revising the definition of 72 the term "dispute"; amending s. 718.301, F.S.; 73 revising reporting requirements relating to the 74 transfer of association control; amending s. 718.503, 75 F.S.; revising the documents that must be delivered to 76 a prospective buyer or lessee of a residential unit; 77 requiring that contracts for the resale of a 78 residential unit in a building that is subject to 79 certain reserve study and milestone inspection 80 requirements contain specified statements; specifying 81 that a contract that does not contain such required 82 statements is voidable at the option of the purchaser 83 before closing; amending s. 718.504, F.S.; requiring 84 that prospectuses and offering circulars contain 85 specified statements relating to reserves under certain circumstances; amending s. 719.103, F.S.; 86 87 defining the term "alternative funding method";

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580-02613-22 20227042 88 amending s. 719.104, F.S.; revising the types of 89 records that constitute the official records of a 90 cooperative association; specifying that renters of a 91 unit have the right to inspect and copy certain 92 reports; revising rulemaking requirements for the division; specifying that maintenance of the 93 94 cooperative property is the responsibility of 95 associations; requiring associations to perform specified required maintenance under certain 96 97 circumstances; specifying that necessary maintenance, 98 repair, or replacement of cooperative property does 99 not require unit owner approval; specifying that 100 associations are not liable for certain expenses if a resident must vacate a unit or is denied access to a 101 102 common element for specified reasons; amending s. 103 719.106, F.S.; revising requirements for association 104 budgets; authorizing certain persons to vote to waive 105 reserve contributions or reduce reserve funding under 106 certain circumstances; authorizing reserves to be 107 funded via the pooling method if certain requirements 108 are met; requiring that reserve funds used for 109 purposes other than authorized expenditures be 110 reinstated within a specified timeframe; requiring 111 certain associations to periodically have a study 112 conducted relating to required reserves; requiring 113 boards to annually review the results of such study to 114 determine if reserves are sufficient; requiring the division to adopt rules; providing requirements for 115 the reserve study; creating s. 719.1062, F.S.; 116

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117	providing legislative findings; defining the term
118	"milestone inspection"; specifying that the purpose of
119	a milestone inspection is not to determine compliance
120	with the Florida Building Code; requiring that certain
121	cooperative buildings have milestone inspections
122	performed at specified times; requiring boards to
123	arrange for such inspections; specifying that
124	associations are responsible for costs relating to
125	milestone inspections; requiring that initial
126	milestone inspections for certain buildings be
127	performed before a specified date; specifying that
128	milestone inspections consist of two phases; providing
129	requirements for each phase of a milestone inspection;
130	requiring architects and engineers performing a
131	milestone inspection to submit a sealed copy of the
132	inspection report to certain entities; requiring
133	boards to distribute a copy of each inspection report
134	to unit owners and publish the report on the
135	association's website under certain circumstances;
136	authorizing local enforcing agencies to prescribe
137	timelines and penalties relating to milestone
138	inspections; requiring associations to comply with
139	certain standards adopted by the commission; amending
140	s. 719.107, F.S.; authorizing boards to adopt a
141	special assessment or borrow money for certain reasons
142	without unit owner approval; amending s. 719.108,
143	F.S.; requiring that estoppel certificates contain
144	specified statements relating to reserves under
145	certain circumstances; amending s. 719.301, F.S.;

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146	requiring developers to deliver a turnover inspection
147	report relating to cooperative property under certain
148	circumstances; amending s. 719.503, F.S.; revising the
149	documents that must be delivered to a prospective
150	buyer or lessee of a residential unit; requiring that
151	contracts for the resale of a residential unit in a
152	building that is subject to certain reserve study and
153	milestone inspection requirements contain specified
154	statements; specifying that a contract that does not
155	contain such required statements is voidable at the
156	option of the purchaser before closing; amending s.
157	719.504, F.S.; requiring that prospectuses and
158	offering circulars contain specified statements
159	relating to reserves under certain circumstances;
160	amending ss. 558.002, 718.121, 718.706, and 720.3085,
161	F.S.; conforming cross-references; reenacting s.
162	719.1255, F.S., relating to alternative resolution of
163	disputes, to incorporate the amendment made to s.
164	718.1255, F.S., in a reference thereto; providing an
165	effective date.
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167	Be It Enacted by the Legislature of the State of Florida:
168	
169	Section 1. Present subsections (1) through (30) of section
170	718.103, Florida Statutes, are redesignated as subsections (2)
171	through (31), respectively, and a new subsection (1) is added to
172	that section, to read:
173	718.103 DefinitionsAs used in this chapter, the term:
174	(1) "Alternative funding method" means a method for the
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175	funding of a reserve account by other than an assessment or
176	special assessment which may reasonably be expected to fully
177	satisfy the association's reserve funding obligations,
178	including, but not limited to, an immediately available line of
179	credit equal to the amount of any waived reserves, payments into
180	the reserve account by a developer who is offering units, or any
181	other method approved by the division.
182	Section 2. Paragraphs (a), (c), and (g) of subsection (12)
183	and subsection (13) of section 718.111, Florida Statutes, are
184	amended to read:
185	718.111 The association
186	(12) OFFICIAL RECORDS
187	(a) From the inception of the association, the association
188	shall maintain each of the following items, if applicable, which
189	constitutes the official records of the association:
190	1. A copy of the plans, permits, warranties, and other
191	items provided by the developer under s. 718.301(4).
192	2. A photocopy of the recorded declaration of condominium
193	of each condominium operated by the association and each
194	amendment to each declaration.
195	3. A photocopy of the recorded bylaws of the association
196	and each amendment to the bylaws.
197	4. A certified copy of the articles of incorporation of the
198	association, or other documents creating the association, and
199	each amendment thereto.
200	5. A copy of the current rules of the association.
201	6. A book or books that contain the minutes of all meetings
202	of the association, the board of administration, and the unit
203	owners.
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204 7. A current roster of all unit owners and their mailing 205 addresses, unit identifications, voting certifications, and, if 206 known, telephone numbers. The association shall also maintain 207 the e-mail addresses and facsimile numbers of unit owners 208 consenting to receive notice by electronic transmission. The e-209 mail addresses and facsimile numbers are not accessible to unit 210 owners if consent to receive notice by electronic transmission 211 is not provided in accordance with sub-subparagraph (c)3.e. However, the association is not liable for an inadvertent 212 disclosure of the e-mail address or facsimile number for 213 214 receiving electronic transmission of notices.

8. All current insurance policies of the association andcondominiums operated by the association.

9. A current copy of any management agreement, lease, or other contract to which the association is a party or under which the association or the unit owners have an obligation or responsibility.

221 10. Bills of sale or transfer for all property owned by the 222 association.

223 11. Accounting records for the association and separate 224 accounting records for each condominium that the association 225 operates. Any person who knowingly or intentionally defaces or destroys such records, or who knowingly or intentionally fails 226 227 to create or maintain such records, with the intent of causing 228 harm to the association or one or more of its members, is 229 personally subject to a civil penalty pursuant to s. 230 718.501(1)(d). The accounting records must include, but are not 231 limited to:

232

a. Accurate, itemized, and detailed records of all receipts

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233	and expenditures.
234	b. A current account and a monthly, bimonthly, or quarterly
235	statement of the account for each unit designating the name of
236	the unit owner, the due date and amount of each assessment, the
237	amount paid on the account, and the balance due.
238	c. All audits, reviews, accounting statements, <u>reserve</u>
239	studies, and financial reports of the association or
240	condominium.
241	d. All contracts for work to be performed. Bids for work to
242	be performed are also considered official records and must be
243	maintained by the association for at least 1 year after receipt
244	of the bid.
245	12. Ballots, sign-in sheets, voting proxies, and all other
246	papers and electronic records relating to voting by unit owners,
247	which must be maintained for 1 year from the date of the
248	election, vote, or meeting to which the document relates,
249	notwithstanding paragraph (b).
250	13. All rental records if the association is acting as
251	agent for the rental of condominium units.
252	14. A copy of the current question and answer sheet as
253	described in s. 718.504.
254	15. A copy of the inspection <u>reports</u> report as described in
255	ss. 718.1123 and 718.301(4)(p) and any other inspection report
256	relating to a structural or life safety inspection of
257	association property s. 718.301(4)(p).
258	16. Bids for materials, equipment, or services.
259	17. All affirmative acknowledgments made pursuant to s.
260	718.121(4)(c).
261	18. All other written records of the association not

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580-02613-2220227042_262specifically included in the foregoing which are related to the263operation of the association.

264 (c)1. The official records of the association are open to 265 inspection by any association member or the authorized 266 representative of such member at all reasonable times. The right 267 to inspect the records includes the right to make or obtain 268 copies, at the reasonable expense, if any, of the member or authorized representative of such member. A renter of a unit has 269 270 a right to inspect and copy only the declaration of condominium, 271 and the association's bylaws and rules, and the inspection 272 reports described in ss. 718.1123 and 718.301(4)(p). The 273 association may adopt reasonable rules regarding the frequency, 274 time, location, notice, and manner of record inspections and 275 copying but may not require a member to demonstrate any purpose 276 or state any reason for the inspection. The failure of an 277 association to provide the records within 10 working days after 278 receipt of a written request creates a rebuttable presumption 279 that the association willfully failed to comply with this 280 paragraph. A unit owner who is denied access to official records 281 is entitled to the actual damages or minimum damages for the 2.82 association's willful failure to comply. Minimum damages are \$50 per calendar day for up to 10 days, beginning on the 11th 283 284 working day after receipt of the written request. The failure to 285 permit inspection entitles any person prevailing in an 286 enforcement action to recover reasonable attorney fees from the 287 person in control of the records who, directly or indirectly, 288 knowingly denied access to the records.

289 2. Any person who knowingly or intentionally defaces or290 destroys accounting records that are required by this chapter to

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580-02613-22 20227042 291 be maintained during the period for which such records are 292 required to be maintained, or who knowingly or intentionally 293 fails to create or maintain accounting records that are required 294 to be created or maintained, with the intent of causing harm to 295 the association or one or more of its members, is personally 296 subject to a civil penalty pursuant to s. 718.501(1)(d). 297 3. The association shall maintain an adequate number of copies of the declaration, articles of incorporation, bylaws, 298 299 and rules, and all amendments to each of the foregoing, as well 300 as the question and answer sheet as described in s. 718.504 and 301 year-end financial information required under this section, on 302 the condominium property to ensure their availability to unit 303 owners and prospective purchasers, and may charge its actual 304 costs for preparing and furnishing these documents to those 305 requesting the documents. An association shall allow a member or 306 his or her authorized representative to use a portable device, 307 including a smartphone, tablet, portable scanner, or any other 308 technology capable of scanning or taking photographs, to make an 309 electronic copy of the official records in lieu of the

310 association's providing the member or his or her authorized 311 representative with a copy of such records. The association may 312 not charge a member or his or her authorized representative for 313 the use of a portable device. Notwithstanding this paragraph, 314 the following records are not accessible to unit owners:

a. Any record protected by the lawyer-client privilege as
described in s. 90.502 and any record protected by the workproduct privilege, including a record prepared by an association
attorney or prepared at the attorney's express direction, which
reflects a mental impression, conclusion, litigation strategy,

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320	or legal theory of the attorney or the association, and which
321	was prepared exclusively for civil or criminal litigation or for
322	adversarial administrative proceedings, or which was prepared in
323	anticipation of such litigation or proceedings until the
324	conclusion of the litigation or proceedings.
325	b. Information obtained by an association in connection
326	with the approval of the lease, sale, or other transfer of a
327	unit.
328	c. Personnel records of association or management company
329	employees, including, but not limited to, disciplinary, payroll,
330	health, and insurance records. For purposes of this sub-
331	subparagraph, the term "personnel records" does not include
332	written employment agreements with an association employee or
333	management company, or budgetary or financial records that
334	indicate the compensation paid to an association employee.
335	d. Medical records of unit owners.
336	e. Social security numbers, driver license numbers, credit
337	card numbers, e-mail addresses, telephone numbers, facsimile
338	numbers, emergency contact information, addresses of a unit
339	owner other than as provided to fulfill the association's notice
340	requirements, and other personal identifying information of any
341	person, excluding the person's name, unit designation, mailing
342	address, property address, and any address, e-mail address, or
343	facsimile number provided to the association to fulfill the
344	association's notice requirements. Notwithstanding the
345	restrictions in this sub-subparagraph, an association may print
346	and distribute to unit owners a directory containing the name,
347	unit address, and all telephone numbers of each unit owner.
348	However, an owner may exclude his or her telephone numbers from

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580-02613-22 20227042 349 the directory by so requesting in writing to the association. An 350 owner may consent in writing to the disclosure of other contact 351 information described in this sub-subparagraph. The association 352 is not liable for the inadvertent disclosure of information that 353 is protected under this sub-subparagraph if the information is 354 included in an official record of the association and is 355 voluntarily provided by an owner and not requested by the 356 association. 357 f. Electronic security measures that are used by the association to safeguard data, including passwords. 358 359 g. The software and operating system used by the 360 association which allow the manipulation of data, even if the 361 owner owns a copy of the same software used by the association. 362 The data is part of the official records of the association. 363 h. All affirmative acknowledgments made pursuant to s. 364 718.121(4)(c). 365 (g)1. By January 1, 2019, an association managing a 366 condominium with 150 or more units which does not contain 367 timeshare units shall post digital copies of the documents 368 specified in subparagraph 2. on its website or make such 369 documents available through an application that can be 370 downloaded on a mobile device. 371 a. The association's website or application must be: 372 (I) An independent website, application, or web portal 373 wholly owned and operated by the association; or 374 (II) A website, application, or web portal operated by a 375 third-party provider with whom the association owns, leases, 376 rents, or otherwise obtains the right to operate a web page, subpage, web portal, collection of subpages or web portals, or 377

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378	an application which is dedicated to the association's
379	activities and on which required notices, records, and documents
380	may be posted or made available by the association.
381	b. The association's website or application must be
382	accessible through the Internet and must contain a subpage, web
383	portal, or other protected electronic location that is
384	inaccessible to the general public and accessible only to unit
385	owners and employees of the association.
386	c. Upon a unit owner's written request, the association
387	must provide the unit owner with a username and password and
388	access to the protected sections of the association's website or
389	application which contain any notices, records, or documents
390	that must be electronically provided.
391	2. A current copy of the following documents must be posted
392	in digital format on the association's website or application:
393	a. The recorded declaration of condominium of each
394	condominium operated by the association and each amendment to
395	each declaration.
396	b. The recorded bylaws of the association and each
397	amendment to the bylaws.
398	c. The articles of incorporation of the association, or
399	other documents creating the association, and each amendment to
400	the articles of incorporation or other documents. The copy
401	posted pursuant to this sub-subparagraph must be a copy of the
402	articles of incorporation filed with the Department of State.
403	d. The rules of the association.
404	e. A list of all executory contracts or documents to which
405	the association is a party or under which the association or the
406	unit owners have an obligation or responsibility and, after

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407	bidding for the related materials, equipment, or services has
408	closed, a list of bids received by the association within the
409	past year. Summaries of bids for materials, equipment, or
410	services which exceed \$500 must be maintained on the website or
411	application for 1 year. In lieu of summaries, complete copies of
412	the bids may be posted.
413	f. The annual budget required by s. 718.112(2)(f) and any
414	proposed budget to be considered at the annual meeting.
415	g. The financial report required by subsection (13) and any
416	monthly income or expense statement to be considered at a
417	meeting.
418	h. The certification of each director required by s.
419	718.112(2)(d)4.b.
420	i. All contracts or transactions between the association
421	and any director, officer, corporation, firm, or association
422	that is not an affiliated condominium association or any other
423	entity in which an association director is also a director or
424	officer and financially interested.
425	j. Any contract or document regarding a conflict of
426	interest or possible conflict of interest as provided in ss.
427	468.436(2)(b)6. and 718.3027(3).
428	k. The notice of any unit owner meeting and the agenda for
429	the meeting, as required by s. 718.112(2)(d)3., no later than 14
430	days before the meeting. The notice must be posted in plain view
431	on the front page of the website or application, or on a
432	separate subpage of the website or application labeled "Notices"
433	which is conspicuously visible and linked from the front page.
434	The association must also post on its website or application any
435	document to be considered and voted on by the owners during the

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436	meeting or any document listed on the agenda at least 7 days
437	before the meeting at which the document or the information
438	within the document will be considered.
439	l. Notice of any board meeting, the agenda, and any other
440	document required for the meeting as required by s.
441	718.112(2)(c), which must be posted no later than the date
442	required for notice under s. 718.112(2)(c).
443	m. The inspection reports described in ss. 718.1123 and
444	718.301(4)(p) and any other inspection report relating to a
445	structural or life safety inspection of association property.
446	n. The reserve study required under s. 718.112(2).
447	3. The association shall ensure that the information and
448	records described in paragraph (c), which are not allowed to be
449	accessible to unit owners, are not posted on the association's
450	website or application. If protected information or information
451	restricted from being accessible to unit owners is included in
452	documents that are required to be posted on the association's
453	website or application, the association shall ensure the
454	information is redacted before posting the documents.
455	Notwithstanding the foregoing, the association or its agent is
456	not liable for disclosing information that is protected or
457	restricted under this paragraph unless such disclosure was made
458	with a knowing or intentional disregard of the protected or
459	restricted nature of such information.
460	4. The failure of the association to post information
461	required under subparagraph 2. is not in and of itself
462	sufficient to invalidate any action or decision of the
463	association's board or its committees.
464	(13) FINANCIAL REPORTINGWithin 90 days after the end of

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580-02613-22 20227042 465 the fiscal year, or annually on a date provided in the bylaws, 466 the association shall prepare and complete, or contract for the 467 preparation and completion of, a financial report for the 468 preceding fiscal year. Within 21 days after the final financial report is completed by the association or received from the 469 470 third party, but not later than 120 days after the end of the 471 fiscal year or other date as provided in the bylaws, the association shall mail to each unit owner at the address last 472 473 furnished to the association by the unit owner, or hand deliver 474 to each unit owner, a copy of the most recent financial report 475 or a notice that a copy of the most recent financial report will 476 be mailed or hand delivered to the unit owner, without charge, 477 within 5 business days after receipt of a written request from 478 the unit owner. The division shall adopt rules setting forth 479 uniform accounting principles and standards to be used by all 480 associations and addressing the financial reporting requirements 481 for multicondominium associations. The rules must include, but 482 not be limited to, standards for presenting a summary of 483 association reserves, including a good faith estimate disclosing 484 the annual amount of reserve funds that would be necessary for the association to fully fund reserves for each reserve item 485 based on the straight-line accounting method or on the pooling 486 487 method. This disclosure is not applicable to reserves funded via 488 the pooling method. In adopting such rules, the division shall consider the number of members and annual revenues of an 489 490 association. Financial reports shall be prepared as follows: 491 (a) An association that meets the criteria of this

492 paragraph shall prepare a complete set of financial statements 493 in accordance with generally accepted accounting principles. The

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494	financial statements must be based upon the association's total
495	annual revenues, as follows:
496	1. An association with total annual revenues of \$150,000 or
497	more, but less than \$300,000, shall prepare compiled financial
498	statements.
499	2. An association with total annual revenues of at least
500	\$300,000, but less than \$500,000, shall prepare reviewed
501	financial statements.
502	3. An association with total annual revenues of \$500,000 or
503	more shall prepare audited financial statements.
504	(b)1. An association with total annual revenues of less
505	than \$150,000 shall prepare a report of cash receipts and
506	expenditures.
507	2. A report of cash receipts and disbursements must
508	disclose the amount of receipts by accounts and receipt
509	classifications and the amount of expenses by accounts and
510	expense classifications, including, but not limited to, the
511	following, as applicable: costs for security, professional and
512	management fees and expenses, taxes, costs for recreation
513	facilities, expenses for refuse collection and utility services,
514	expenses for lawn care, costs for building maintenance and
515	repair, insurance costs, administration and salary expenses, and
516	reserves accumulated and expended for capital expenditures,
517	deferred maintenance, and any other category for which the
518	association maintains reserves.
519	(c) An association may prepare, without a meeting of or
520	approval by the unit owners:

521 1. Compiled, reviewed, or audited financial statements, if 522 the association is required to prepare a report of cash receipts

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523	and expenditures;
524	2. Reviewed or audited financial statements, if the
525	association is required to prepare compiled financial
526	statements; or
527	3. Audited financial statements if the association is
528	required to prepare reviewed financial statements.
529	(d) If approved by a majority of the voting interests
530	present at a properly called meeting of the association, an
531	association may prepare:
532	1. A report of cash receipts and expenditures in lieu of a
533	compiled, reviewed, or audited financial statement;
534	2. A report of cash receipts and expenditures or a compiled
535	financial statement in lieu of a reviewed or audited financial
536	statement; or
537	3. A report of cash receipts and expenditures, a compiled
538	financial statement, or a reviewed financial statement in lieu
539	of an audited financial statement.
540	
541	Such meeting and approval must occur before the end of the
542	fiscal year and is effective only for the fiscal year in which
543	the vote is taken, except that the approval may also be
544	effective for the following fiscal year. If the developer has
545	not turned over control of the association, all unit owners,
546	including the developer, may vote on issues related to the
547	preparation of the association's financial reports, from the
548	date of incorporation of the association through the end of the
549	second fiscal year after the fiscal year in which the
550	certificate of a surveyor and mapper is recorded pursuant to s.
551	718.104(4)(e) or an instrument that transfers title to a unit in
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20227042 552 the condominium which is not accompanied by a recorded 553 assignment of developer rights in favor of the grantee of such 554 unit is recorded, whichever occurs first. Thereafter, all unit 555 owners except the developer may vote on such issues until 556 control is turned over to the association by the developer. Any 557 audit or review prepared under this section shall be paid for by 558 the developer if done before turnover of control of the 559 association. 560 (e) A unit owner may provide written notice to the division 561 of the association's failure to mail or hand deliver him or her 562 a copy of the most recent financial report within 5 business 563 days after he or she submitted a written request to the 564 association for a copy of such report. If the division

determines that the association failed to mail or hand deliver a 565 566 copy of the most recent financial report to the unit owner, the 567 division shall provide written notice to the association that 568 the association must mail or hand deliver a copy of the most 569 recent financial report to the unit owner and the division 570 within 5 business days after it receives such notice from the 571 division. An association that fails to comply with the 572 division's request may not waive the financial reporting 573 requirement provided in paragraph (d) for the fiscal year in 574 which the unit owner's request was made and the following fiscal 575 year. A financial report received by the division pursuant to 576 this paragraph shall be maintained, and the division shall 577 provide a copy of such report to an association member upon his 578 or her request.

579 Section 3. Paragraph (f) of subsection (2) of section 718.112, Florida Statutes, is amended to read: 580

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581	718.112 Bylaws
582	(2) REQUIRED PROVISIONSThe bylaws shall provide for the
583	following and, if they do not do so, shall be deemed to include
584	the following:
585	(f) Annual budget
586	1. The proposed annual budget of estimated revenues and
587	expenses must be detailed and must show the amounts budgeted by
588	accounts and expense classifications, including, at a minimum,
589	any applicable expenses listed in s. 718.504(21). The board
590	shall adopt the annual budget at least 14 days prior to the
591	start of the association's fiscal year. In the event that the
592	board fails to timely adopt the annual budget a second time, it
593	shall be deemed a minor violation and the prior year's budget
594	shall continue in effect until a new budget is adopted. A
595	multicondominium association shall adopt a separate budget of
596	common expenses for each condominium the association operates
597	and shall adopt a separate budget of common expenses for the
598	association. In addition, if the association maintains limited
599	common elements with the cost to be shared only by those
600	entitled to use the limited common elements as provided for in
601	s. 718.113(1), the budget or a schedule attached to it must show
602	the amount budgeted for this maintenance. If, after turnover of
603	control of the association to the unit owners, any of the
604	expenses listed in s. 718.504(21) are not applicable, they need
605	not be listed.
606	2.a. In addition to annual operating expenses, the budget

606 2.a. In addition to annual operating expenses, the budget 607 must include reserve accounts for capital expenditures and 608 deferred maintenance. These accounts must include, but are not 609 limited to, the maintenance and replacement of the association

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580-02613-22 20227042 610 property identified in s. 718.301(4)(p) roof replacement, 611 building painting, and pavement resurfacing, regardless of the 612 amount of deferred maintenance expense or replacement cost, and 613 any other item that has a deferred maintenance expense or 614 replacement cost that exceeds \$10,000. The amount to be reserved 615 must be computed using a formula based upon estimated remaining 616 useful life and estimated replacement cost or deferred 617 maintenance expense of each reserve item. The association may 618 adjust replacement reserve assessments annually to take into 619 account any changes in estimates or extension of the useful life 620 of a reserve item caused by deferred maintenance. This 621 subsection does not apply to an adopted budget in which the 622 members of an association have determined, by a majority vote at 623 a duly called meeting of the association, to provide no reserves 624 or less reserves than required by this subsection. If an 625 association is required to perform a reserve study under 626 subparagraph 3., the members of the association may vote to 627 waive reserve contributions or reduce reserve funding if the 628 association's reserve obligations are funded consistent with the 629 reserve study currently in effect or if the association provides 630 an alternative funding method for the association's reserve 631 obligations. Reserves may be funded using the pooling method; 632 however, funding for the maintenance, repair, or replacement of 633 the association property identified in s. 718.301(4)(p) may not 634 be pooled with reserves for other expenses of the association. 635 b. Before turnover of control of an association by a

developer to unit owners other than a developer pursuant to s.
718.301, the developer may vote the voting interests allocated
to its units to waive the reserves or reduce the funding of

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663

580-02613-22 20227042 639 reserves through the period expiring at the end of the second 640 fiscal year after the fiscal year in which the certificate of a 641 surveyor and mapper is recorded pursuant to s. 718.104(4)(e) or 642 an instrument that transfers title to a unit in the condominium 643 which is not accompanied by a recorded assignment of developer 644 rights in favor of the grantee of such unit is recorded, 645 whichever occurs first, after which time reserves may be waived 646 or reduced only upon the vote of a majority of all nondeveloper 647 voting interests voting in person or by limited proxy at a duly 648 called meeting of the association. If an association is required 649 to perform a reserve study under subparagraph 3., the developer 650 may vote to waive reserve contributions or reduce reserve 651 funding only if the association's reserve obligations are funded 652 consistent with the reserve study currently in effect or if the association provides an alternative funding method for the 653 654 association's reserve obligations. If a meeting of the unit 655 owners has been called to determine whether to waive or reduce 656 the funding of reserves and no such result is achieved or a 657 quorum is not attained, the reserves included in the budget 658 shall go into effect. After the turnover, the developer may vote 659 its voting interest to waive or reduce the funding of reserves. 660 3. Unless the governing documents provide for a more 661 frequent reserve study, an association with a residential 662 condominium building that is three stories or more in height

664 replace, and restore the association property identified in s.
665 718.301(4)(p) at least every 3 years. The board shall review the
666 results of such study at least annually to determine if reserves
667 are sufficient to meet the association's reserve obligations and

must have a study conducted of the reserves required to repair,

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668	to make any adjustments the board deems necessary to maintain
669	reserves, as appropriate. The division shall adopt rules setting
670	forth uniform standards and forms for reserve studies. The
671	reserve study must include, without limitation:
672	a. A summary of any inspection of the major components of
673	the association property identified in s. 718.301(4)(p) and any
674	other portion of the association property that the association
675	is obligated to maintain, repair, replace, or restore;
676	b. If applicable, a summary of the findings and
677	recommendations of the milestone inspection report required
678	<u>under s. 718.1123;</u>
679	c. An estimate of the remaining useful life of each major
680	component of the association property identified in s.
681	718.301(4)(p) and any other portion of the association property
682	that the association is obligated to maintain, repair, replace,
683	or restore identified pursuant to a milestone inspection or any
684	other structural or life safety inspection of the association
685	property;
686	d. An estimate of the cost of maintenance, repair,
687	replacement, or restoration of each major component of the
688	association property identified in s. 718.301(4)(p) and any
689	other portion of the association property identified pursuant to
690	sub-subparagraph c. during and at the end of its useful life;
691	and
692	e. An estimate of the total annual assessment that may be
693	necessary to cover the cost of maintaining, repairing,
694	replacing, or restoring the major components of the association
695	property identified in s. 718.301(4)(p) and any other portion of
696	the association property identified pursuant to sub-subparagraph

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697	c., after subtracting the reserves of the association as of the
698	date of the study, and an estimate of the funding plan,
699	including any alternative funding method, which may be necessary
700	to provide adequate funding for the required reserves.
701	4. To the extent that the reserve study conducted in
702	accordance with this paragraph indicates a need to budget for
703	reserves, the annual budget must include:
704	a. The identification of all items for which reserves are
705	or will be established;
706	b. The current estimated replacement cost, estimated
707	remaining life, and estimated useful life of the association
708	property identified in s. 718.301(4)(p);
709	c. As of the beginning of the fiscal year for which the
710	budget is prepared, the current amount of accumulated cash
711	reserves set aside to repair, replace, or restore the reserve
712	components and the amount of the expected contribution to the
713	reserve fund for that fiscal year;
714	d. A description of the funding plan for the reserve
715	funding obligations of the association, including the use of
716	regular assessments, special assessments, and any other
717	alternative funding method; and
718	e. A description of the procedures used for the estimation
719	and accumulation of reserves pursuant to this paragraph, the
720	identity of any independent third party who conducted the
721	reserve study on behalf of the association, and the extent to
722	which the association is funding its reserve obligations
723	consistent with the reserve study currently in effect.
724	5.3. Reserve funds and any interest accruing thereon shall
725	remain in the reserve account or accounts, and may be used only

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580-02613-22 20227042 726 for authorized reserve expenditures unless their use for other 727 purposes is approved in advance by a majority vote at a duly 728 called meeting of the association. Before turnover of control of 729 an association by a developer to unit owners other than the 730 developer pursuant to s. 718.301, the developer-controlled 731 association may not vote to use reserves for purposes other than 732 those for which they were intended without the approval of a 733 majority of all nondeveloper voting interests, voting in person 734 or by limited proxy at a duly called meeting of the association. 735 Reserve funds that are used for a purpose other than authorized 736 reserve expenditures must be reinstated in the reserve account 737 or accounts within 12 months after the expenditure.

738 6.a.4. The only voting interests that are eligible to vote 739 on questions that involve waiving or reducing the funding of 740 reserves, or using existing reserve funds for purposes other 741 than purposes for which the reserves were intended, are the 742 voting interests of the units subject to assessment to fund the 743 reserves in question. Proxy questions relating to waiving or 744 reducing the funding of reserves or using existing reserve funds 745 for purposes other than purposes for which the reserves were 746 intended must contain the following statement in capitalized, bold letters in a font size larger than any other used on the 747 748 face of the proxy ballot: WAIVING OF RESERVES, IN WHOLE OR IN 749 PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY 750 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED 751 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

b. If the budget of the association provides for funding
accounts for deferred expenditures, including, but not limited
to, funds for capital expenditures and deferred maintenance, but

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580-02613-22 20227042 755 the association has voted to waive reserves or to use existing 756 reserve funds for purposes other than purposes for which the 757 reserves were intended, a financial report must contain the 758 following statement in conspicuous type: THE OWNERS HAVE ELECTED 759 TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED ALTERNATIVE 760 USES OF EXISTING RESERVES UNDER SECTION 718.112(2)(f), FLORIDA 761 STATUTES. THE WAIVING OR ALTERNATIVE USE OF RESERVE FUNDS MAY 762 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED 763 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS. 764 c. If the association is required to perform a reserve 765 study under this paragraph and the budget of the association 766 does not fund the association's reserve obligations consistent 767 with the reserve study currently in effect or the association 768 has not provided an alternative funding method for the 769 association's reserve obligations, the financial report must 770 also contain the following statement in conspicuous type: THE 771 BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO 772 SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER 773 SECTION 718.112(2)(f), FLORIDA STATUTES. THE BUDGET OF THE 774 ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS 775 FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT 776 WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES 777 CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN 778 UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS. 779 Section 4. Section 718.1123, Florida Statutes, is created 780 to read: 781 718.1123 Mandatory structural inspections.-782 (1) The Legislature finds that maintaining the structural 783 integrity of a condominium building throughout its service life

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784	is of paramount importance in order to ensure that buildings are
785	structurally sound so as not to pose a threat to the public
786	health, safety, or welfare. As such, the Legislature finds that
787	the imposition of a statewide structural inspection program for
788	aging residential condominium buildings in this state is
789	necessary to ensure that such buildings are safe for continued
790	use.
791	(2) As used in this section, the term "milestone
792	inspection" means a structural inspection of a building by a
793	licensed architect or engineer authorized to practice in this
794	state for the purposes of attesting to the life safety and
795	adequacy of the structural components of the building and, to
796	the extent reasonably possible, determining the general
797	structural condition of the building as it affects the safety of
798	such building. The purpose of such inspection is not to
799	determine if the condition of an existing building is in
800	compliance with the Florida Building Code.
801	(3) A residential condominium building that is three
802	stories or more in height must have a milestone inspection
803	performed by December 31 of the year in which the building
804	reaches 30 years of age, based on the date the certificate of
805	occupancy was issued, and every 10 years thereafter. A
806	residential condominium building that is three stories or more
807	in height and is located within 3 miles of a coastline as
808	defined in s. 376.031 must have a milestone inspection by
809	December 31 of the year in which the building reaches 20 years
810	of age, based on the date the certificate of occupancy was
811	issued, and every 7 years thereafter. If a condominium building
812	is required to have a milestone inspection performed pursuant to

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813	this section, the board of administration of the association
814	must arrange for the milestone inspection to be performed and is
815	responsible for ensuring compliance with the requirements of
816	this section. The association responsible for inspection under
817	this section is responsible for all costs associated with the
818	inspection.
819	(4) If a milestone inspection is required under this
820	section and the building's certificate of occupancy was issued
821	on or before July 1, 1992, the building's initial milestone
822	inspection must be performed before December 31, 2024.
823	(5) A milestone inspection consists of two phases:
824	(a) For phase one of the milestone inspection, a licensed
825	architect or engineer authorized to practice in this state shall
826	perform a visual examination of all habitable and nonhabitable
827	areas of a building and provide a qualitative assessment of the
828	structural conditions of the building. Surface imperfections,
829	such as cracks, distortion, sagging, excessive deflections,
830	significant misalignment, signs of leakage, or peeling of
831	finishes, must be critically viewed as possible signs of
832	structural distress. If the architect or engineer finds no signs
833	of structural distress to any building components under visual
834	examination, phase two of the inspection, as provided in
835	paragraph (b), is not required. An architect or engineer who
836	completes the first phase of a milestone inspection shall
837	prepare and submit an inspection report pursuant to subsection
838	<u>(6).</u>
839	(b) Phase two of the milestone inspection must be performed
840	if any structural distress is identified during phase one. The
841	inspector in charge of a phase two inspection must be a licensed

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842	engineer or licensed architect who has a minimum of 5 years of
843	experience designing the primary structural components of
844	buildings and a minimum of 5 years of experience inspecting
845	structural components of existing buildings of a similar size,
846	scope, and type of construction. A phase two inspection may
847	involve destructive or nondestructive testing at the inspector's
848	direction. The inspection may be as extensive or as limited as
849	necessary to fully assess damaged areas of the building in order
850	to confirm that the building is safe for its intended use or to
851	recommend a program for fully assessing and repairing damaged
852	portions of the building. When determining testing locations,
853	the inspector must give preference to locations that are the
854	least disruptive and most easily repairable while still being
855	representative of the structure. An inspector who completes the
856	second phase of a milestone inspection shall prepare and submit
857	an inspection report pursuant to subsection (6).
858	(6) Upon completion of a phase one or phase two milestone
859	inspection, the architect or engineer who performed the
860	inspection must submit a sealed copy of the inspection report to
861	the board of administration and to the building official of the
862	local government that has jurisdiction. The board of
863	administration must distribute a copy of each inspection report
864	to each unit owner, regardless of whether there are deficiencies
865	reported. If the association is required by law to have a
866	website, it must publish the report on the association's
867	website.
868	(7) A local enforcing agency may prescribe timelines and
869	penalties with respect to compliance with this section.
870	(8) An association shall comply with structural and life

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871	safety standards for maintenance and inspections adopted by the
872	Florida Building Commission.
873	Section 5. Present subsections (4) through (9) of section
874	718.113, Florida Statutes, are redesignated as subsections (5)
875	through (10), respectively, a new subsection (4) is added to
876	that section, and subsections (1) and (2) of that section are
877	amended, to read:
878	718.113 Maintenance; limitation upon improvement; display
879	of flag; hurricane shutters and protection; display of religious
880	decorations
881	(1) Maintenance of the common elements is the
882	responsibility of the association. The association shall provide
883	for the maintenance, repair, and replacement of the association
884	property identified in s. 718.301(4)(p). After turnover of
885	control of the association to the unit owners, the association
886	must perform any required maintenance identified by the
887	developer pursuant to s. 718.301(4)(p) until the association
888	obtains new maintenance protocols from a licensed professional
889	engineer or architect. The declaration may provide that certain
890	limited common elements shall be maintained by those entitled to
891	use the limited common elements or that the association shall
892	provide the maintenance, either as a common expense or with the
893	cost shared only by those entitled to use the limited common
894	elements. If the maintenance is to be by the association at the
895	expense of only those entitled to use the limited common
896	elements, the declaration shall describe in detail the method of
897	apportioning such costs among those entitled to use the limited
898	common elements, and the association may use the provisions of
899	s. 718.116 to enforce payment of the shares of such costs by the

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900 unit owners entitled to use the limited common elements.

(2) (a) Except as otherwise provided in this section, there 901 902 shall be no material alteration or substantial additions to the 903 common elements or to real property which is association 904 property, except in a manner provided in the declaration as 905 originally recorded or as amended under the procedures provided 906 therein. If the declaration as originally recorded or as amended 907 under the procedures provided therein does not specify the 908 procedure for approval of material alterations or substantial 909 additions, 75 percent of the total voting interests of the 910 association must approve the alterations or additions before the 911 material alterations or substantial additions are commenced. 912 This paragraph is intended to clarify existing law and applies 913 to associations existing on July 1, 2018.

914 (b) There shall not be any material alteration of, or 915 substantial addition to, the common elements of any condominium 916 operated by a multicondominium association unless approved in 917 the manner provided in the declaration of the affected 918 condominium or condominiums as originally recorded or as amended 919 under the procedures provided therein. If a declaration as 920 originally recorded or as amended under the procedures provided 921 therein does not specify a procedure for approving such an 922 alteration or addition, the approval of 75 percent of the total 923 voting interests of each affected condominium is required before the material alterations or substantial additions are commenced. 924 925 This subsection does not prohibit a provision in any 926 declaration, articles of incorporation, or bylaws as originally 927 recorded or as amended under the procedures provided therein 928 requiring the approval of unit owners in any condominium

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929	operated by the same association or requiring board approval
930	before a material alteration or substantial addition to the
931	common elements is permitted. This paragraph is intended to
932	clarify existing law and applies to associations existing on
933	July 1, 2018.
934	(c) There shall not be any material alteration or
935	substantial addition made to association real property operated
936	by a multicondominium association, except as provided in the
937	declaration, articles of incorporation, or bylaws as originally
938	recorded or as amended under the procedures provided therein. If
939	the declaration, articles of incorporation, or bylaws as
940	originally recorded or as amended under the procedures provided
941	therein do not specify the procedure for approving an alteration
942	or addition to association real property, the approval of 75
943	percent of the total voting interests of the association is
944	required before the material alterations or substantial
945	additions are commenced. This paragraph is intended to clarify
946	existing law and applies to associations existing on July 1,
947	2018.
948	(d) The necessary maintenance, repair, or replacement of
949	association property is not a material alteration or substantial
950	addition requiring unit owner approval.
951	(4) The association is not liable for alternative housing
952	costs, lost rent, or other expenses if a resident must vacate a
953	unit or is denied access to a common element for necessary
954	maintenance, repair, or replacement of association property.
955	Section 6. Paragraphs (a) and (e) of subsection (1) of
956	section 718.115, Florida Statutes, are amended to read
957	718.115 Common expenses and common surplus

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958 (1) (a) Common expenses include the expenses of the 959 operation, maintenance, repair, replacement, or protection of 960 the common elements and association property, costs of carrying 961 out the powers and duties of the association, and any other 962 expense, whether or not included in the foregoing, designated as 963 common expense by this chapter, the declaration, the documents 964 creating the association, or the bylaws. Common expenses also 965 include reasonable transportation services, insurance for 966 directors and officers, road maintenance and operation expenses, in-house communications, and security services, which are 967 968 reasonably related to the general benefit of the unit owners 969 even if such expenses do not attach to the common elements or 970 property of the condominium. However, such common expenses must 971 either have been services or items provided on or after the date 972 control of the association is transferred from the developer to 973 the unit owners or must be services or items provided for in the 974 condominium documents or bylaws. Unless the manner of payment or 975 allocation of expenses is otherwise addressed in the declaration 976 of condominium, the expenses of any items or services required 977 by any federal, state, or local governmental entity to be 978 installed, maintained, or supplied to the condominium property by the association, including, but not limited to, firesafety 979 equipment or water and sewer service where a master meter serves 980 981 the condominium, shall be common expenses whether or not such 982 items or services are specifically identified as common expenses in the declaration of condominium, articles of incorporation, or 983 bylaws of the association. Notwithstanding any provision in a 984 985 declaration requiring, prohibiting, or limiting a board of 986 administration's authority to adopt a special assessment or to

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580-02613-22 20227042 987 borrow money on behalf of the association, including any 988 provision in the governing documents requiring unit owner voting 989 or approval, the board may adopt a special assessment or borrow 990 money for the necessary maintenance, repair, or replacement of 991 association property. 992 (e) The expense of installation, replacement, operation, 993 repair, and maintenance of hurricane shutters, impact glass, 994 code-compliant windows or doors, or other types of code-995 compliant hurricane protection by the board pursuant to s. 996 718.113(6) s. 718.113(5) constitutes a common expense and shall 997 be collected as provided in this section if the association is 998 responsible for the maintenance, repair, and replacement of the 999 hurricane shutters, impact glass, code-compliant windows or 1000 doors, or other types of code-compliant hurricane protection 1001 pursuant to the declaration of condominium. However, if the 1002 maintenance, repair, and replacement of the hurricane shutters, 1003 impact glass, code-compliant windows or doors, or other types of 1004 code-compliant hurricane protection are the responsibility of 1005 the unit owners pursuant to the declaration of condominium, the 1006 cost of the installation of the hurricane shutters, impact 1007 glass, code-compliant windows or doors, or other types of code-1008 compliant hurricane protection is not a common expense and shall 1009 be charged individually to the unit owners based on the cost of 1010 installation of the hurricane shutters, impact glass, code-1011 compliant windows or doors, or other types of code-compliant 1012 hurricane protection appurtenant to the unit. Notwithstanding s. 1013 718.116(9), and regardless of whether or not the declaration requires the association or unit owners to maintain, repair, or 1014 replace hurricane shutters, impact glass, code-compliant windows 1015

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1016 or doors, or other types of code-compliant hurricane protection, 1017 a unit owner who has previously installed hurricane shutters in 1018 accordance with s. 718.113(6) s. 718.113(5) that comply with the 1019 current applicable building code shall receive a credit when the 1020 shutters are installed; a unit owner who has previously 1021 installed impact glass or code-compliant windows or doors that 1022 comply with the current applicable building code shall receive a 1023 credit when the impact glass or code-compliant windows or doors 1024 are installed; and a unit owner who has installed other types of 1025 code-compliant hurricane protection that comply with the current 1026 applicable building code shall receive a credit when the same 1027 type of other code-compliant hurricane protection is installed, 1028 and the credit shall be equal to the pro rata portion of the 1029 assessed installation cost assigned to each unit. However, such 1030 unit owner remains responsible for the pro rata share of 1031 expenses for hurricane shutters, impact glass, code-compliant 1032 windows or doors, or other types of code-compliant hurricane 1033 protection installed on common elements and association property by the board pursuant to s. $718.113(6) = \frac{718.113(5)}{100}$ and remains 1034 1035 responsible for a pro rata share of the expense of the 1036 replacement, operation, repair, and maintenance of such 1037 shutters, impact glass, code-compliant windows or doors, or 1038 other types of code-compliant hurricane protection.

1039 Section 7. Paragraph (b) of subsection (1) of section 1040 718.116, Florida Statutes, is amended, and paragraphs (j) and 1041 (k) are added to subsection (8) of that section, to read:

1042 718.116 Assessments; liability; lien and priority; 1043 interest; collection.-

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(1)

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1045
            (b)1. The liability of a first mortgagee or its successor
1046
      or assignees who acquire title to a unit by foreclosure or by
1047
      deed in lieu of foreclosure for the unpaid assessments that
1048
      became due before the mortgagee's acquisition of title is
1049
      limited to the lesser of:
1050
           a. The unit's unpaid common expenses and regular periodic
1051
      assessments which accrued or came due during the 12 months
1052
      immediately preceding the acquisition of title and for which
1053
      payment in full has not been received by the association; or
1054
           b. One percent of the original mortgage debt. The
1055
      provisions of this paragraph apply only if the first mortgagee
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      joined the association as a defendant in the foreclosure action.
1057
      Joinder of the association is not required if, on the date the
1058
      complaint is filed, the association was dissolved or did not
1059
      maintain an office or agent for service of process at a location
1060
      which was known to or reasonably discoverable by the mortgagee.
1061
           2. An association, or its successor or assignee, that
1062
      acquires title to a unit through the foreclosure of its lien for
      assessments is not liable for any unpaid assessments, late fees,
1063
1064
      interest, or reasonable attorney's fees and costs that came due
1065
      before the association's acquisition of title in favor of any
1066
      other association, as defined in s. 718.103(3) s. 718.103(2) or
1067
      s. 720.301(9), which holds a superior lien interest on the unit.
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(8) Within 10 business days after receiving a written or electronic request therefor from a unit owner or the unit owner's designee, or a unit mortgagee or the unit mortgagee's designee, the association shall issue the estoppel certificate. Each association shall designate on its website a person or

This subparagraph is intended to clarify existing law.

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1074	entity with a street or e-mail address for receipt of a request
1075	for an estoppel certificate issued pursuant to this section. The
1076	estoppel certificate must be provided by hand delivery, regular
1077	mail, or e-mail to the requestor on the date of issuance of the
1078	estoppel certificate.
1079	(j) If the budget of the association provides for funding
1080	accounts for deferred expenditures, including, but not limited
1081	to, funds for capital expenditures and deferred maintenance, but
1082	the association has voted to waive reserves or to use existing
1083	reserve funds for purposes other than purposes for which the
1084	reserves were intended, the estoppel certificate must also
1085	contain the following statement in conspicuous type: THE OWNERS
1086	HAVE ELECTED TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED
1087	ALTERNATIVE USES OF EXISTING RESERVES UNDER SECTION
1088	718.112(2)(f), FLORIDA STATUTES. THE WAIVING OR ALTERNATIVE USE
1089	OF RESERVE FUNDS MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT
1090	OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.
1091	(k) If the association is required to perform a reserve
1092	study under section 718.112(2)(f) and the budget of the
1093	association does not fund the association's reserve obligations
1094	consistent with the reserve study currently in effect or the
1095	association has not provided an alternative funding method for
1096	the association's reserve obligations, the estoppel certificate
1097	must also contain the following statement in conspicuous type:
1098	THE BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO
1099	SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER
1100	SECTION 718.112(2)(f), FLORIDA STATUTES. THE BUDGET OF THE
1101	ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS
1102	FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT

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1103	WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES
1104	CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN
1105	UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.
1106	Section 8. Subsection (1) of section 718.1255, Florida
1107	Statutes, is amended to read:
1108	718.1255 Alternative dispute resolution; mediation;
1109	nonbinding arbitration; applicability
1110	(1) DEFINITIONSAs used in this section, the term
1111	"dispute" means any disagreement between two or more parties
1112	that involves:
1113	(a) The authority of the board of directors, under this
1114	chapter or association document, to:
1115	1. Require any owner to take any action, or not to take any
1116	action, involving that owner's unit or the appurtenances
1117	thereto.
1118	2. Alter or add to a common area or element.
1119	(b) The failure of a governing body, when required by this
1120	chapter or an association document, to:
1121	1. Properly conduct elections.
1122	2. Give adequate notice of meetings or other actions.
1123	3. Properly conduct meetings.
1124	4. Allow inspection of books and records.
1125	(c) A plan of termination pursuant to s. 718.117.
1126	(d) The failure of a governing body, when required by this
1127	chapter or an association document, to:
1128	1. Perform a structural or life safety inspection,
1129	including the milestone inspection required under s. 718.1123.
1130	2. Perform a reserve study.
1131	3. Fund reserves.

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1132	4. Make or provide necessary maintenance or repairs of
1133	association property.
1134	
1135	"Dispute" does not include any disagreement that primarily
1136	involves: title to any unit or common element; the
1137	interpretation or enforcement of any warranty; the levy of a fee
1138	or assessment, or the collection of an assessment levied against
1139	a party; the eviction or other removal of a tenant from a unit;
1140	alleged breaches of fiduciary duty by one or more directors; or
1141	claims for damages to a unit based upon the alleged failure of
1142	the association to maintain the common elements or condominium
1143	property.
1144	Section 9. Paragraph (p) of subsection (4) of section
1145	718.301, Florida Statutes, is amended to read:
1146	718.301 Transfer of association control; claims of defect
1147	by association
1148	(4) At the time that unit owners other than the developer
1149	elect a majority of the members of the board of administration
1150	of an association, the developer shall relinquish control of the
1151	association, and the unit owners shall accept control.
1152	Simultaneously, or for the purposes of paragraph (c) not more
1153	than 90 days thereafter, the developer shall deliver to the
1154	association, at the developer's expense, all property of the
1155	unit owners and of the association which is held or controlled
1156	by the developer, including, but not limited to, the following
1157	items, if applicable, as to each condominium operated by the
1158	association:
1159	(p) A report included in the official records, under seal
1160	of an architect or engineer authorized to practice in this

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1161	state, attesting to required maintenance, <u>condition,</u> useful
1162	life, and replacement costs of the following applicable
1163	association property common elements comprising a turnover
1164	inspection report:
1165	1. Roof.
1166	2. Structure.
1167	3. Fireproofing and fire protection systems.
1168	4. Elevators.
1169	5. Heating and cooling systems.
1170	6. Plumbing.
1171	7. Electrical systems.
1172	8. Swimming pool or spa and equipment.
1173	9. Seawalls.
1174	10. Pavement and parking areas.
1175	11. Drainage systems.
1176	12. Painting.
1177	13. Irrigation systems.
1178	14. Waterproofing.
1179	Section 10. Paragraph (b) of subsection (1) of section
1180	718.503, Florida Statutes, is amended, and paragraph (d) is
1181	added to subsection (2) of that section, to read:
1182	718.503 Developer disclosure prior to sale; nondeveloper
1183	unit owner disclosure prior to sale; voidability
1184	(1) DEVELOPER DISCLOSURE
1185	(b) Copies of documents to be furnished to prospective
1186	buyer or lesseeUntil such time as the developer has furnished
1187	the documents listed below to a person who has entered into a
1188	contract to purchase a residential unit or lease it for more
1189	than 5 years, the contract may be voided by that person,
I	

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580-02613-22 20227042 1190 entitling the person to a refund of any deposit together with 1191 interest thereon as provided in s. 718.202. The contract may be 1192 terminated by written notice from the proposed buyer or lessee 1193 delivered to the developer within 15 days after the buyer or 1194 lessee receives all of the documents required by this section. 1195 The developer may not close for 15 days after following the 1196 execution of the agreement and delivery of the documents to the 1197 buyer as evidenced by a signed receipt for documents unless the buyer is informed in the 15-day voidability period and agrees to 1198 1199 close before prior to the expiration of the 15 days. The 1200 developer shall retain in his or her records a separate 1201 agreement signed by the buyer as proof of the buyer's agreement 1202 to close before prior to the expiration of the said voidability 1203 period. The developer must retain such Said proof shall be 1204 retained for a period of 5 years after the date of the closing 1205 of the transaction. The documents to be delivered to the 1206 prospective buyer are the prospectus or disclosure statement 1207 with all exhibits, if the development is subject to the provisions of s. 718.504, or, if not, then copies of the 1208 1209 following which are applicable:

1210 1. The question and answer sheet described in s. 718.504, 1211 and declaration of condominium, or the proposed declaration if 1212 the declaration has not been recorded, which shall include the 1213 certificate of a surveyor approximately representing the 1214 locations required by s. 718.104.

1215

2. The documents creating the association.

1216 3. The bylaws.

1217 4. The ground lease or other underlying lease of the1218 condominium.

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1219	5. The management contract, maintenance contract, and other
1220	contracts for management of the association and operation of the
1221	condominium and facilities used by the unit owners having a
1222	service term in excess of 1 year, and any management contracts
1223	that are renewable.
1224	6. The estimated operating budget for the condominium and a
1225	schedule of expenses for each type of unit, including fees
1226	assessed pursuant to s. 718.113(1) for the maintenance of
1227	limited common elements where such costs are shared only by
1228	those entitled to use the limited common elements.
1229	7. The lease of recreational and other facilities that will
1230	be used only by unit owners of the subject condominium.
1231	8. The lease of recreational and other common facilities
1232	that will be used by unit owners in common with unit owners of
1233	other condominiums.
1234	9. The form of unit lease if the offer is of a leasehold.
1235	10. Any declaration of servitude of properties serving the
1236	condominium but not owned by unit owners or leased to them or
1237	the association.
1238	11. If the development is to be built in phases or if the
1239	association is to manage more than one condominium, a
1240	description of the plan of phase development or the arrangements
1241	for the association to manage two or more condominiums.
1242	12. If the condominium is a conversion of existing
1243	improvements, the statements and disclosure required by s.
1244	718.616.
1245	13. The form of agreement for sale or lease of units.
1246	14. A copy of the floor plan of the unit and the plot plan
1247	showing the location of the residential buildings and the

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1248	recreation and other common areas.
1249	15. A copy of all covenants and restrictions that which
1250	will affect the use of the property and which are not contained
1251	in the foregoing.
1252	16. If the developer is required by state or local
1253	authorities to obtain acceptance or approval of any dock or
1254	marina facilities intended to serve the condominium, a copy of
1255	any such acceptance or approval acquired by the time of filing
1256	with the division under s. 718.502(1), or a statement that such
1257	acceptance or approval has not been acquired or received.
1258	17. Evidence demonstrating that the developer has an
1259	ownership, leasehold, or contractual interest in the land upon
1260	which the condominium is to be developed.
1261	18. A copy of the reserve study required under s.
1262	718.112(2)(f), along with a report or financial statement
1263	indicating the status of the reserves.
1264	(2) NONDEVELOPER DISCLOSURE
1265	(d) If the building in which the condominium unit is
1266	located is subject to the reserve study requirements in s.
1267	718.112(2)(f) and the milestone inspection requirements in s.
1268	718.1123, each contract for the resale of a residential unit
1269	must contain in conspicuous type either:
1270	1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES
1271	THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE MOST RECENT
1272	RESERVE STUDY REQUIRED BY SECTION 718.112, FLORIDA STATUTES, AND
1273	ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 718.1123,
1274	FLORIDA STATUTES, MORE THAN 3 DAYS, EXCLUDING SATURDAYS,
1275	SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF THIS
1276	CONTRACT; or

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1277	2. A clause which states: THIS AGREEMENT IS VOIDABLE BY
1278	BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO
1279	CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL
1280	HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE
1281	BUYER AND RECEIPT BY BUYER OF ALL OF THE FOLLOWING: A CURRENT
1282	COPY OF THE MOST RECENT RESERVE STUDY REQUIRED BY SECTION
1283	718.112, FLORIDA STATUTES, AND ALL MILESTONE INSPECTION REPORTS
1284	REQUIRED BY SECTION 718.1123, FLORIDA STATUTES. ANY PURPORTED
1285	WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER
1286	MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 3
1287	DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER
1288	THE BUYER RECEIVES ALL OF THE FOLLOWING: THE MOST RECENT RESERVE
1289	STUDY REQUIRED BY SECTION 718.112, FLORIDA STATUTES, AND ALL
1290	MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 718.1123,
1291	FLORIDA STATUTES. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL
1292	TERMINATE AT CLOSING.
1293	
1294	A contract that does not conform to the requirements of this
1295	paragraph is voidable at the option of the purchaser prior to
1296	closing.
1297	Section 11. Present subsections (22) through (28) of
1298	section 718.504, Florida Statutes, are redesignated as
1299	subsections (23) through (29), respectively, and a new
1300	subsection (22) is added to that section, to read:
1301	718.504 Prospectus or offering circularEvery developer of
1302	a residential condominium which contains more than 20
1303	residential units, or which is part of a group of residential
1304	condominiums which will be served by property to be used in
1305	common by unit owners of more than 20 residential units, shall

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580-02613-22 20227042 1306 prepare a prospectus or offering circular and file it with the 1307 Division of Florida Condominiums, Timeshares, and Mobile Homes 1308 prior to entering into an enforceable contract of purchase and 1309 sale of any unit or lease of a unit for more than 5 years and 1310 shall furnish a copy of the prospectus or offering circular to 1311 each buyer. In addition to the prospectus or offering circular, 1312 each buyer shall be furnished a separate page entitled "Frequently Asked Questions and Answers," which shall be in 1313 1314 accordance with a format approved by the division and a copy of 1315 the financial information required by s. 718.111. This page 1316 shall, in readable language, inform prospective purchasers 1317 regarding their voting rights and unit use restrictions, 1318 including restrictions on the leasing of a unit; shall indicate 1319 whether and in what amount the unit owners or the association is 1320 obligated to pay rent or land use fees for recreational or other 1321 commonly used facilities; shall contain a statement identifying 1322 that amount of assessment which, pursuant to the budget, would 1323 be levied upon each unit type, exclusive of any special assessments, and which shall further identify the basis upon 1324 1325 which assessments are levied, whether monthly, quarterly, or 1326 otherwise; shall state and identify any court cases in which the 1327 association is currently a party of record in which the 1328 association may face liability in excess of \$100,000; and which 1329 shall further state whether membership in a recreational 1330 facilities association is mandatory, and if so, shall identify 1331 the fees currently charged per unit type. The division shall by 1332 rule require such other disclosure as in its judgment will 1333 assist prospective purchasers. The prospectus or offering 1334 circular may include more than one condominium, although not all

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such units are being offered for sale as of the date of the
prospectus or offering circular. The prospectus or offering
circular must contain the following information:
(22)(a) If the budget of the association provides for
funding accounts for deferred expenditures, including, but not
limited to, funds for capital expenditures and deferred
maintenance, but the association has voted to waive reserves or
to use existing reserve funds for purposes other than purposes
for which the reserves were intended, the prospectus or offering
circular must also contain the following statement in
conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN
WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING
RESERVES UNDER SECTION 718.112(2)(f), FLORIDA STATUTES. THE
WAIVING OR ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT
OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS
REGARDING THOSE ITEMS.
(b) If the association is required to perform a reserve
study under section 718.112(2)(f) and the budget of the
association does not fund the association's reserve obligations
consistent with the reserve study currently in effect or the
association has not provided an alternative funding method for
the association's reserve obligations, the prospectus or
offering circular must also contain the following statement in
conspicuous type: THE BOARD OF ADMINISTRATION FOR THIS
ASSOCIATION HAS FAILED TO SATISFY THE ASSOCIATION'S RESERVE
FUNDING OBLIGATIONS UNDER SECTION 718.112(2)(f), FLORIDA
STATUTES. THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR
FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND
DEFERRED MAINTENANCE CONSISTENT WITH THE ASSOCIATION'S RESERVE

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1364	STUDY. FAILURE TO FUND RESERVES CONSISTENT WITH THE
1365	ASSOCIATION'S RESERVE STUDY MAY RESULT IN UNANTICIPATED SPECIAL
1366	ASSESSMENTS REGARDING THOSE ITEMS.
1367	Section 12. Present subsections (1) through (28) of section
1368	719.103, Florida Statutes, are redesignated as subsections (2)
1369	through (29), respectively, and a new subsection (1) is added to
1370	that section, to read:
1371	719.103 DefinitionsAs used in this chapter:
1372	(1) "Alternative funding method" means a method for the
1373	funding of a reserve account by other than an assessment or
1374	special assessment which may reasonably be expected to fully
1375	satisfy the association's reserve funding obligations. This may
1376	include an immediately available line of credit equal to the
1377	amount of any waived reserves, payments into the reserve account
1378	by a developer who is offering units, or any other method that
1379	has been approved by the division.
1380	Section 13. Present subsections (5) through (11) of section
1381	719.104, Florida Statutes, are redesignated as subsections (6)
1382	through (12), respectively, a new subsection (5) is added to
1383	that section, and paragraphs (a) and (c) of subsection (2) and
1384	paragraph (a) of subsection (4) of that section are amended, to
1385	read:
1386	719.104 Cooperatives; access to units; records; financial
1387	reports; assessments; purchase of leases
1388	(2) OFFICIAL RECORDS
1389	(a) From the inception of the association, the association
1390	shall maintain a copy of each of the following, where
1391	applicable, which shall constitute the official records of the
1392	association:

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1393	
1394	by the developer pursuant to s. 719.301(4).
1395	2. A photocopy of the cooperative documents.
1396	3. A copy of the current rules of the association.
1397	4. A book or books containing the minutes of all meetings
1398	of the association, of the board of directors, and of the unit
1399	owners.
1400	5. A current roster of all unit owners and their mailing
1401	addresses, unit identifications, voting certifications, and, if
1402	known, telephone numbers. The association shall also maintain
1403	the e-mail addresses and the numbers designated by unit owners
1404	for receiving notice sent by electronic transmission of those
1405	unit owners consenting to receive notice by electronic
1406	transmission. The e-mail addresses and numbers provided by unit
1407	owners to receive notice by electronic transmission shall be
1408	removed from association records when consent to receive notice
1409	by electronic transmission is revoked. However, the association
1410	is not liable for an erroneous disclosure of the e-mail address
1411	or the number for receiving electronic transmission of notices.
1412	6. All current insurance policies of the association.
1413	7. A current copy of any management agreement, lease, or
1414	other contract to which the association is a party or under
1415	which the association or the unit owners have an obligation or
1416	responsibility.
1417	8. Bills of sale or transfer for all property owned by the
1418	association.

1419 9. Accounting records for the association and separate
1420 accounting records for each unit it operates, according to good
1421 accounting practices. The accounting records shall include, but

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1422	not be limited to:
1423	a. Accurate, itemized, and detailed records of all receipts
1424	and expenditures.
1425	b. A current account and a monthly, bimonthly, or quarterly
1426	statement of the account for each unit designating the name of
1427	the unit owner, the due date and amount of each assessment, the
1428	amount paid upon the account, and the balance due.
1429	c. All audits, reviews, accounting statements, <u>reserve</u>
1430	studies, and financial reports of the association.
1431	d. All contracts for work to be performed. Bids for work to
1432	be performed shall also be considered official records and shall
1433	be maintained for a period of 1 year.
1434	10. Ballots, sign-in sheets, voting proxies, and all other
1435	papers and electronic records relating to voting by unit owners,
1436	which shall be maintained for a period of 1 year after the date
1437	of the election, vote, or meeting to which the document relates.
1438	11. All rental records where the association is acting as
1439	agent for the rental of units.
1440	12. A copy of the current question and answer sheet as
1441	described in s. 719.504.
1442	13. All affirmative acknowledgments made pursuant to s.
1443	719.108(3)(b)3.
1444	14. A copy of the inspection reports as described in ss.
1445	719.1062 and 719.301(4)(p) and any other inspection report
1446	relating to a structural or life safety inspection of the
1447	cooperative property.
1448	15. All other written records of the association not
1449	specifically included in the foregoing which are related to the
1450	operation of the association.

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580-02613-22 20227042 1451 (c) The official records of the association are open to 1452 inspection by any association member or the authorized 1453 representative of such member at all reasonable times. The right 1454 to inspect the records includes the right to make or obtain 1455 copies, at the reasonable expense, if any, of the association 1456 member. A renter of a unit has a right to inspect and copy only 1457 the association's bylaws and rules and the inspection reports 1458 described in ss. 719.1062 and 719.301(4)(p). The association may 1459 adopt reasonable rules regarding the frequency, time, location, 1460 notice, and manner of record inspections and copying, but may 1461 not require a member to demonstrate any purpose or state any 1462 reason for the inspection. The failure of an association to 1463 provide the records within 10 working days after receipt of a 1464 written request creates a rebuttable presumption that the 1465 association willfully failed to comply with this paragraph. A 1466 member who is denied access to official records is entitled to 1467 the actual damages or minimum damages for the association's 1468 willful failure to comply. The minimum damages are \$50 per calendar day for up to 10 days, beginning on the 11th working 1469 1470 day after receipt of the written request. The failure to permit 1471 inspection entitles any person prevailing in an enforcement 1472 action to recover reasonable attorney fees from the person in 1473 control of the records who, directly or indirectly, knowingly 1474 denied access to the records. Any person who knowingly or 1475 intentionally defaces or destroys accounting records that are 1476 required by this chapter to be maintained during the period for 1477 which such records are required to be maintained, or who knowingly or intentionally fails to create or maintain 1478 accounting records that are required to be created or 1479

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580-02613-22 20227042 1480 maintained, with the intent of causing harm to the association 1481 or one or more of its members, is personally subject to a civil 1482 penalty under s. 719.501(1)(d). The association shall maintain 1483 an adequate number of copies of the declaration, articles of 1484 incorporation, bylaws, and rules, and all amendments to each of 1485 the foregoing, as well as the question and answer sheet as described in s. 719.504 and year-end financial information 1486 1487 required by the department, on the cooperative property to ensure their availability to members and prospective purchasers, 1488 1489 and may charge its actual costs for preparing and furnishing 1490 these documents to those requesting the same. An association 1491 shall allow a member or his or her authorized representative to 1492 use a portable device, including a smartphone, tablet, portable 1493 scanner, or any other technology capable of scanning or taking 1494 photographs, to make an electronic copy of the official records in lieu of the association providing the member or his or her 1495 1496 authorized representative with a copy of such records. The 1497 association may not charge a member or his or her authorized representative for the use of a portable device. Notwithstanding 1498 1499 this paragraph, the following records shall not be accessible to 1500 members:

1501 1. Any record protected by the lawyer-client privilege as 1502 described in s. 90.502 and any record protected by the work-1503 product privilege, including any record prepared by an 1504 association attorney or prepared at the attorney's express 1505 direction which reflects a mental impression, conclusion, 1506 litigation strategy, or legal theory of the attorney or the 1507 association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative 1508

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1509
      proceedings, or which was prepared in anticipation of such
1510
      litigation or proceedings until the conclusion of the litigation
1511
      or proceedings.
1512
           2. Information obtained by an association in connection
1513
      with the approval of the lease, sale, or other transfer of a
1514
      unit.
1515
           3. Personnel records of association or management company
1516
      employees, including, but not limited to, disciplinary, payroll,
1517
      health, and insurance records. For purposes of this
1518
      subparagraph, the term "personnel records" does not include
1519
      written employment agreements with an association employee or
1520
      management company, or budgetary or financial records that
1521
      indicate the compensation paid to an association employee.
           4. Medical records of unit owners.
1522
1523
           5. Social security numbers, driver license numbers, credit
1524
      card numbers, e-mail addresses, telephone numbers, facsimile
1525
      numbers, emergency contact information, addresses of a unit
1526
      owner other than as provided to fulfill the association's notice
1527
      requirements, and other personal identifying information of any
1528
      person, excluding the person's name, unit designation, mailing
1529
      address, property address, and any address, e-mail address, or
1530
      facsimile number provided to the association to fulfill the
1531
      association's notice requirements. Notwithstanding the
1532
      restrictions in this subparagraph, an association may print and
1533
      distribute to unit owners a directory containing the name, unit
1534
      address, and all telephone numbers of each unit owner. However,
1535
      an owner may exclude his or her telephone numbers from the
1536
      directory by so requesting in writing to the association. An
1537
      owner may consent in writing to the disclosure of other contact
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1538	information described in this subparagraph. The association is
1539	not liable for the inadvertent disclosure of information that is
1540	
	protected under this subparagraph if the information is included
1541	in an official record of the association and is voluntarily
1542	provided by an owner and not requested by the association.
1543	6. Electronic security measures that are used by the
1544	association to safeguard data, including passwords.
1545	7. The software and operating system used by the
1546	association which allow the manipulation of data, even if the
1547	owner owns a copy of the same software used by the association.
1548	The data is part of the official records of the association.
1549	8. All affirmative acknowledgments made pursuant to s.
1550	719.108(3)(b)3.
1551	(4) FINANCIAL REPORT
1552	(a) Within 90 days following the end of the fiscal or
1553	calendar year or annually on such date as provided in the bylaws
1554	of the association, the board of administration shall prepare
1555	and complete, or contract with a third party to prepare and
1556	complete, a financial report covering the preceding fiscal or
1557	calendar year. Within 21 days after the financial report is
1558	completed by the association or received from the third party,
1559	but no later than 120 days after the end of the fiscal year,
1560	calendar year, or other date provided in the bylaws, the
1561	association shall provide each member with a copy of the annual
1562	financial report or a written notice that a copy of the
1563	financial report is available upon request at no charge to the
1564	member. The division shall adopt rules setting forth uniform
1565	accounting principles, standards, and reporting requirements.
1566	The rules must include, but not be limited to, standards for

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1567	presenting a summary of association reserves, including a good
1568	faith estimate disclosing the annual amount of reserve funds
1569	that would be necessary for the association to fully fund
1570	reserves for each reserve item based on the straight-line
1571	accounting method or on the pooling method. In adopting such
1572	rules, the division shall consider the number of members and
1573	annual revenues of an association.
1574	(5) MAINTENANCE.
1575	(a) Maintenance of the common elements is the
1576	responsibility of the association. The association shall provide
1577	for the maintenance, repair, and replacement of the cooperative
1578	property identified in s. 719.301(4)(p). After turnover of
1579	control of the association to the unit owners, the association
1580	must perform any required maintenance identified by the
1581	developer pursuant to s. 719.301(4)(p) until the association
1582	obtains new maintenance protocols from a licensed professional
1583	engineer or architect.
1584	(b) The necessary maintenance, repair, or replacement of
1585	cooperative property is not a material alteration or substantial
1586	addition requiring unit owner approval.
1587	(c) The association is not liable for alternative housing
1588	costs, lost rent, or other expenses if a resident must vacate a
1589	unit or is denied access to a common element for necessary
1590	maintenance, repair, or replacement of cooperative property.
1591	Section 14. Paragraph (j) of subsection (1) of section
1592	719.106, Florida Statutes, is amended to read:
1593	719.106 Bylaws; cooperative ownership
1594	(1) MANDATORY PROVISIONSThe bylaws or other cooperative
1595	documents shall provide for the following, and if they do not,
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1596	they shall be deemed to include the following:
1597	(j) Annual budget.—
1598	1. The proposed annual budget of common expenses shall be
1599	detailed and shall show the amounts budgeted by accounts and
1600	expense classifications, including, if applicable, but not
1601	limited to, those expenses listed in s. 719.504(20). The board
1602	of administration shall adopt the annual budget at least 14 days
1603	prior to the start of the association's fiscal year. In the
1604	event that the board fails to timely adopt the annual budget a
1605	second time, it shall be deemed a minor violation and the prior
1606	year's budget shall continue in effect until a new budget is
1607	adopted.
1608	2. In addition to annual operating expenses, the budget
1609	shall include reserve accounts for capital expenditures and

1610 deferred maintenance. These accounts shall include, but not be 1611 limited to, the maintenance and replacement of the cooperative 1612 property identified in s. 719.301(4)(p) roof replacement, 1613 building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and 1614 1615 for any other items for which the deferred maintenance expense 1616 or replacement cost exceeds \$10,000. The amount to be reserved 1617 shall be computed by means of a formula which is based upon 1618 estimated remaining useful life and estimated replacement cost 1619 or deferred maintenance expense of each reserve item. The 1620 association may adjust replacement reserve assessments annually 1621 to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred 1622 1623 maintenance. This paragraph shall not apply to any budget in which the members of an association have, at a duly called 1624

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580-02613-22 20227042 1625 meeting of the association, determined for a fiscal year to 1626 provide no reserves or reserves less adequate than required by 1627 this subsection. If an association is required to perform a 1628 reserve study under this paragraph, the members of the 1629 association may vote to waive reserve contributions or reduce 1630 reserve funding if the association's reserve obligations are 1631 funded consistent with the reserve study currently in effect or 1632 if the association provides an alternative funding method for 1633 the association's reserve obligations. Reserves may be funded 1634 using the pooling method; however, funding for the maintenance, repair, or replacement of the cooperative property identified in 1635 1636 s. 719.301(4)(p) may not be pooled with reserves for other 1637 expenses of the association. 3. However, Prior to turnover of control of an association 1638

1639 by a developer to unit owners other than a developer pursuant to 1640 s. 719.301, the developer may vote to waive the reserves or 1641 reduce the funding of reserves for the first 2 years of the 1642 operation of the association after which time reserves may only 1643 be waived or reduced upon the vote of a majority of all 1644 nondeveloper voting interests voting in person or by limited 1645 proxy at a duly called meeting of the association. If a meeting 1646 of the unit owners has been called to determine to provide no 1647 reserves, or reserves less adequate than required, and such 1648 result is not attained or a quorum is not attained, the reserves 1649 as included in the budget shall go into effect. For an 1650 association that is required to perform a reserve study under 1651 this paragraph, the developer may only vote to waive reserve 1652 contributions or reduce reserve funding if the association's 1653 reserve obligations are funded consistent with the reserve study

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1654	currently in effect or if the association provides an
1655	alternative funding method for the association's reserve
1656	obligations.
1657	4.3. Reserve funds and any interest accruing thereon shall
1658	remain in the reserve account or accounts, and shall be used
1659	only for authorized reserve expenditures unless their use for
1660	other purposes is approved in advance by a vote of the majority
1661	of the voting interests, voting in person or by limited proxy at
1662	a duly called meeting of the association. Prior to turnover of
1663	control of an association by a developer to unit owners other
1664	than the developer under s. 719.301, the developer may not vote
1665	to use reserves for purposes other than that for which they were
1666	intended without the approval of a majority of all nondeveloper
1667	voting interests, voting in person or by limited proxy at a duly
1668	called meeting of the association. Reserve funds that are used
1669	for purposes other than authorized reserve expenditures must be
1670	reinstated in the reserve account or accounts within 12 months
1671	after the expenditure.
1672	5. Unless the governing documents provide for a more
1673	frequent reserve study, an association with a residential
1674	cooperative building that is three stories or more in height
1675	must have a study conducted of the reserves required to repair,
1676	replace, and restore the cooperative property identified in s.
1677	719.301(4)(p) at least every 3 years. The board shall review the
1678	results of such study at least annually to determine if reserves
1679	are sufficient to meet the association's reserve obligations and
1680	to make any adjustments the board deems necessary to maintain
1681	reserves, as appropriate. The division shall adopt rules setting

1682 forth uniform standards and forms for reserve studies. The

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1683	reserve study must include, without limitation:
1684	a. A summary of any inspection of the major components of
1685	the cooperative property identified in s. 719.301(4)(p) and any
1686	other portion of the cooperative property that the association
1687	is obligated to maintain, repair, replace, or restore;
1688	b. If applicable, a summary of the findings and
1689	recommendations of the milestone inspection report required
1690	<u>under s. 719.1062;</u>
1691	c. An estimate of the remaining useful life of each major
1692	component of the cooperative property identified in s.
1693	719.301(4)(p) and any other portion of the cooperative property
1694	that the association is obligated to maintain, repair, replace,
1695	or restore identified pursuant to a milestone inspection and any
1696	other structural or life safety inspection of the cooperative
1697	property;
1698	d. An estimate of the cost of maintenance, repair,
1699	replacement, or restoration of each major component of the
1700	cooperative property identified in s. 719.301(4)(p) and any
1701	other portion of the cooperative property that the association
1702	is obligated to maintain, repair, replace, or restore identified
1703	pursuant to sub-subparagraph c. during and at the end of its
1704	useful life; and
1705	e. An estimate of the total annual assessment that may be
1706	necessary to cover the cost of maintaining, repairing,
1707	replacing, or restoring the major components of the cooperative
1708	property identified in s. 719.301(4)(p) and any other portion of
1709	the cooperative property identified pursuant to sub-subparagraph
1710	c., after subtracting the reserves of the association as of the
1711	date of the study, and an estimate of the funding plan,

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1712	including any alternative funding method, that may be necessary
1713	to provide adequate funding for the required reserves.
1714	6. To the extent that the reserve study conducted in
1715	accordance with this paragraph indicates a need to budget for
1716	reserves, the annual budget must include:
1717	a. The identification of all items for which reserves are
1718	or will be established;
1719	b. The current estimated replacement cost, estimated
1720	remaining life, and estimated useful life of the cooperative
1721	property identified in s. 719.301(4)(p);
1722	c. As of the beginning of the fiscal year for which the
1723	budget is prepared, the current amount of accumulated cash
1724	reserves set aside to repair, replace, or restore the reserve
1725	components and the amount of the expected contribution to the
1726	reserve fund for that fiscal year;
1727	d. A description of the funding plan for the reserve
1728	funding obligations of the association, including the use of
1729	regular assessments, special assessments, and any other
1730	alternative funding method; and
1731	e. A description of the procedures used for the estimation
1732	and accumulation of reserves pursuant to this paragraph, the
1733	identity of any independent third party who conducted the
1734	reserve study on behalf of the association, and the extent to
1735	which the association is funding its reserve obligations
1736	consistent with the reserve study currently in effect.
1737	7. If the budget of the association provides for funding
1738	accounts for deferred expenditures, including, but not limited
1739	to, funds for capital expenditures and deferred maintenance, but
1740	the association has voted to waive reserves or to use existing
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1741	reserve funds for purposes other than purposes for which the
1742	reserves were intended, a financial report must contain the
1743	following statement in conspicuous type: THE OWNERS HAVE ELECTED
1744	TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED ALTERNATIVE
1745	USES OF EXISTING RESERVES UNDER SECTION 719.106(1)(j), FLORIDA
1746	STATUTES. THE WAIVING OR ALTERNATIVE USE OF RESERVE FUNDS MAY
1747	RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED
1748	SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.
1749	8. If the association is required to perform a reserve
1750	study under this paragraph and the budget of the association
1751	does not fund the association's reserve obligations consistent
1752	with the reserve study currently in effect or the association
1753	has not provided an alternative funding method for the
1754	association's reserve obligations, the financial report must
1755	also contain the following statement in conspicuous type: THE
1756	BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO
1757	SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER
1758	SECTION 719.106(1)(j), FLORIDA STATUTES. THE BUDGET OF THE
1759	ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS
1760	FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT
1761	WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES
1762	CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN
1763	UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.
1764	Section 15. Section 719.1062, Florida Statutes, is created
1765	to read:
1766	719.1062 Mandatory structural inspections
1767	(1) The Legislature finds that maintaining the structural
1768	integrity of a cooperative building throughout its service life
1769	is of paramount importance in order to ensure that buildings are
I	

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1770	structurally sound so as not to pose a threat to the public
1771	health, safety, or welfare. As such, the Legislature finds that
1772	the imposition of a statewide structural inspection program for
1773	aging residential cooperative buildings in this state is
1774	necessary to ensure that such buildings are safe for continued
1775	use.
1776	(2) As used in this section, the term "milestone
1777	inspection" means a structural inspection of a building by a
1778	licensed architect or engineer authorized to practice in this
1779	state for the purposes of attesting to the life safety and
1780	adequacy of the structural components of the building and, to
1781	the extent reasonably possible, determining the general
1782	structural condition of the building as it affects the safety of
1783	such building. The purpose of such inspection is not to
1784	determine if the condition of an existing building is in
1785	compliance with the Florida Building Code.
1786	(3) A residential cooperative building that is three
1787	stories or more in height must have a milestone inspection
1788	performed by December 31 of the year in which the building
1789	reaches 30 years of age, based on the date the certificate of
1790	occupancy was issued, and every 10 years thereafter. A
1791	residential cooperative building that is three stories or more
1792	in height and is located within 3 miles of a coastline as
1793	defined in s. 376.031 must have a milestone inspection by
1794	December 31 of the year in which the building reaches 20 years
1795	of age, based on the date the certificate of occupancy was
1796	issued, and every 7 years thereafter. If a cooperative building
1797	is required to have a milestone inspection performed pursuant to
1798	this section, the board of administration of the association

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1799	must arrange for the milestone inspection to be performed and is
1800	responsible for ensuring compliance with the requirements of
1801	this section. The association responsible for inspection under
1802	this section is responsible for all costs associated with the
1803	inspection.
1804	(4) If a milestone inspection is required under this
1805	section, and the building's certificate of occupancy was issued
1806	on or before July 1, 1992, the building's initial milestone
1807	inspection must be performed before December 31, 2024.
1808	(5) A milestone inspection consists of two phases:
1809	(a) For phase one of the milestone inspection, a licensed
1810	architect or engineer authorized to practice in this state shall
1811	perform a visual examination of all habitable and nonhabitable
1812	areas of a building and provide a qualitative assessment of the
1813	structural conditions of the building. Surface imperfections,
1814	such as cracks, distortion, sagging, excessive deflections,
1815	significant misalignment, signs of leakage, or peeling of
1816	finishes, must be critically viewed as possible signs of
1817	structural distress. If the architect or engineer finds no signs
1818	of structural distress to any building components under visual
1819	examination, phase two of the inspection, as provided in
1820	paragraph (b), is not required. An architect or engineer who
1821	completes the first phase of a milestone inspection shall
1822	prepare and submit an inspection report pursuant to subsection
1823	(6).
1824	(b) Phase two of the milestone inspection must be performed
1825	if any structural distress is identified during phase one. The
1826	inspector in charge of a phase two inspection must be a licensed
1827	engineer or licensed architect who has a minimum of 5 years of

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580-02613-22 20227042 1828 experience designing the primary structural components of 1829 buildings and a minimum of 5 years of experience inspecting 1830 structural components of existing buildings of a similar size, 1831 scope, and type of construction. A phase two inspection may 1832 involve destructive or nondestructive testing at the inspector's 1833 direction. The inspection may be as extensive or as limited as 1834 necessary to fully assess damaged areas of the building in order 1835 to confirm that the building is safe for its intended use or to 1836 recommend a program for fully assessing and repairing damaged 1837 portions of the building. When determining testing locations, 1838 the inspector must give preference to locations that are the 1839 least disruptive and most easily repairable while still being 1840 representative of the structure. An inspector who completes the 1841 second phase of a milestone inspection shall prepare and submit 1842 an inspection report pursuant to subsection (6). 1843 (6) Upon completion of a phase one or phase two milestone 1844 inspection, the architect or engineer who performed the 1845 inspection must submit a sealed copy of the inspection report to the board of administration of the association and to the 1846 1847 building official of the local government that has jurisdiction. 1848 The board of administration must distribute a copy of each 1849 inspection report to each unit owner regardless of whether there are deficiencies reported, and if the association is required by 1850 1851 law to have a website, must publish the report on the 1852 association's website. 1853 (7) A local enforcing agency may prescribe timelines and 1854 penalties with respect to compliance with this section. 1855 (8) An association shall comply with structural and life 1856 safety standards (for maintenance and inspections adopted by the

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1857	Florida Building Commission.
1858	Section 16. Paragraph (f) is added to subsection (1) of
1859	section 719.107, Florida Statutes, to read:
1860	719.107 Common expenses; assessment
1861	(1)
1862	(f) Notwithstanding any provision in a declaration
1863	requiring, prohibiting, or limiting a board of administration's
1864	authority to adopt a special assessment or to borrow money on
1865	behalf of the association, including any provision in the
1866	governing documents requiring unit owner voting or approval, the
1867	board may adopt a special assessment or borrow money for the
1868	necessary maintenance, repair, or replacement of the cooperative
1869	property identified in s. 719.301(4)(p).
1870	Section 17. Paragraphs (j) and (k) are added to subsection
1871	(6) of section 719.108, Florida Statutes, to read:
1872	719.108 Rents and assessments; liability; lien and
1873	priority; interest; collection; cooperative ownership
1874	(6) Within 10 business days after receiving a written or
1875	electronic request for an estoppel certificate from a unit owner
1876	or the unit owner's designee, or a unit mortgagee or the unit
1877	mortgagee's designee, the association shall issue the estoppel
1878	certificate. Each association shall designate on its website a
1879	person or entity with a street or e-mail address for receipt of
1880	a request for an estoppel certificate issued pursuant to this
1881	section. The estoppel certificate must be provided by hand
1882	delivery, regular mail, or e-mail to the requestor on the date
1883	of issuance of the estoppel certificate.
1884	(j) If the budget of the association provides for funding
1885	accounts for deferred expenditures, including, but not limited

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1886	to, funds for capital expenditures and deferred maintenance, but
1887	the association has voted to waive reserves or to use existing
1888	reserve funds for purposes other than purposes for which the
1889	reserves were intended, the estoppel certificate must also
1890	contain the following statement in conspicuous type: THE OWNERS
1891	HAVE ELECTED TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED
1892	ALTERNATIVE USES OF EXISTING RESERVES UNDER SECTION
1893	719.106(1)(j), FLORIDA STATUTES. THE WAIVING OR ALTERNATIVE USE
1894	OF RESERVE FUNDS MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT
1895	OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.
1896	(k) If the association is required to perform a reserve
1897	study under section 719.106(1)(j) and the budget of the
1898	association does not fund the association's reserve obligations
1899	consistent with the reserve study currently in effect or the
1900	association has not provided an alternative funding method for
1901	the association's reserve obligations, the estoppel certificate
1902	must also contain the following statement in conspicuous type:
1903	THE BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO
1904	SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER
1905	SECTION 719.106(1)(j), FLORIDA STATUTES. THE BUDGET OF THE
1906	ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS
1907	FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT
1908	WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES
1909	CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN
1910	UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.
1911	Section 18. Paragraph (p) is added to subsection (4) of
1912	section 719.301, Florida Statutes, to read:
1913	719.301 Transfer of association control
1914	(4) When unit owners other than the developer elect a
	-

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1915	majority of the members of the board of administration of an
1916	association, the developer shall relinquish control of the
1917	association, and the unit owners shall accept control.
1918	Simultaneously, or for the purpose of paragraph (c) not more
1919	than 90 days thereafter, the developer shall deliver to the
1920	association, at the developer's expense, all property of the
1921	unit owners and of the association held or controlled by the
1922	developer, including, but not limited to, the following items,
1923	if applicable, as to each cooperative operated by the
1924	association:
1925	(p) A report included in the official records, under seal
1926	of an architect or engineer authorized to practice in this
1927	state, attesting to required maintenance, condition, useful
1928	life, and replacement costs of the following applicable
1929	cooperative property comprising a turnover inspection report:
1930	1. Roof.
1931	2. Structure.
1932	3. Fireproofing and fire protection systems.
1933	4. Elevators.
1934	5. Heating and cooling systems.
1935	6. Plumbing.
1936	7. Electrical systems.
1937	8. Swimming pool or spa and equipment.
1938	9. Seawalls.
1939	10. Pavement and parking areas.
1940	11. Drainage systems.
1941	12. Painting.
1942	13. Irrigation systems.
1943	14. Waterproofing.

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1944
           Section 19. Paragraph (b) of subsection (1) of section
1945
      719.503, Florida Statutes, is amended, and paragraph (d) is
1946
      added to subsection (2) of that section, to read:
1947
           719.503 Disclosure prior to sale.-
1948
           (1) DEVELOPER DISCLOSURE.-
1949
            (b) Copies of documents to be furnished to prospective
1950
      buyer or lessee.-Until such time as the developer has furnished
1951
      the documents listed below to a person who has entered into a
1952
      contract to purchase a unit or lease it for more than 5 years,
1953
      the contract may be voided by that person, entitling the person
1954
      to a refund of any deposit together with interest thereon as
1955
      provided in s. 719.202. The contract may be terminated by
1956
      written notice from the proposed buyer or lessee delivered to
1957
      the developer within 15 days after the buyer or lessee receives
1958
      all of the documents required by this section. The developer may
1959
      shall not close for 15 days after following the execution of the
1960
      agreement and delivery of the documents to the buyer as
1961
      evidenced by a receipt for documents signed by the buyer unless
1962
      the buyer is informed in the 15-day voidability period and
1963
      agrees to close before prior to the expiration of the 15 days.
1964
      The developer shall retain in his or her records a separate
1965
      signed agreement as proof of the buyer's agreement to close
1966
      before prior to the expiration of the said voidability period.
1967
      The developer must retain such Said proof shall be retained for
1968
      a period of 5 years after the date of the closing transaction.
1969
      The documents to be delivered to the prospective buyer are the
1970
      prospectus or disclosure statement with all exhibits, if the
1971
      development is subject to the provisions of s. 719.504, or, if
      not, then copies of the following which are applicable:
1972
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CODING: Words stricken are deletions; words underlined are additions.

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1973	1. The question and answer sheet described in s. 719.504,
1974	and cooperative documents, or the proposed cooperative documents
1975	if the documents have not been recorded, which shall include the
1976	certificate of a surveyor approximately representing the
1977	locations required by s. 719.104.
1978	2. The documents creating the association.
1979	3. The bylaws.
1980	4. The ground lease or other underlying lease of the
1981	cooperative.
1982	5. The management contract, maintenance contract, and other
1983	contracts for management of the association and operation of the
1984	cooperative and facilities used by the unit owners having a
1985	service term in excess of 1 year, and any management contracts
1986	that are renewable.
1987	6. The estimated operating budget for the cooperative and a
1988	schedule of expenses for each type of unit, including fees
1989	assessed to a shareholder who has exclusive use of limited
1990	common areas, where such costs are shared only by those entitled
1991	to use such limited common areas.
1992	7. The lease of recreational and other facilities that will
1993	be used only by unit owners of the subject cooperative.
1994	8. The lease of recreational and other common areas that
1995	will be used by unit owners in common with unit owners of other
1996	cooperatives.
1997	9. The form of unit lease if the offer is of a leasehold.
1998	10. Any declaration of servitude of properties serving the
1999	cooperative but not owned by unit owners or leased to them or
2000	the association.
2001	11. If the development is to be built in phases or if the
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CODING: Words stricken are deletions; words underlined are additions.

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2002	association is to manage more than one cooperative, a
2003	description of the plan of phase development or the arrangements
2004	for the association to manage two or more cooperatives.
2005	12. If the cooperative is a conversion of existing
2006	improvements, the statements and disclosure required by s.
2007	719.616.
2008	13. The form of agreement for sale or lease of units.
2009	14. A copy of the floor plan of the unit and the plot plan
2010	showing the location of the residential buildings and the
2011	recreation and other common areas.
2012	15. A copy of all covenants and restrictions that which
2013	will affect the use of the property and which are not contained
2014	in the foregoing.
2015	16. If the developer is required by state or local
2016	authorities to obtain acceptance or approval of any dock or
2017	marina facilities intended to serve the cooperative, a copy of
2018	any such acceptance or approval acquired by the time of filing
2019	with the division pursuant to s. 719.502(1) or a statement that
2020	such acceptance or approval has not been acquired or received.
2021	17. Evidence demonstrating that the developer has an
2022	ownership, leasehold, or contractual interest in the land upon
2023	which the cooperative is to be developed.
2024	18. A copy of the reserve study required under s.
2025	719.106(1)(j), along with a report or financial statement
2026	indicating the status of the reserves.
2027	(2) NONDEVELOPER DISCLOSURE
2028	(d) If the building in which the cooperative unit is
2029	located is subject to the reserve study requirements in s.
2030	719.106(1)(j) and the milestone inspection requirements in s.

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CODING: Words stricken are deletions; words underlined are additions.

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2031	719.1062, each contract for the resale of a residential unit
2032	must also contain in conspicuous type either:
2033	1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES
2034	THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE MOST RECENT
2035	RESERVE STUDY REQUIRED BY SECTION 719.106, FLORIDA STATUTES, AND
2036	ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 719.1062,
2037	FLORIDA STATUTES, MORE THAN 3 DAYS, EXCLUDING SATURDAYS,
2038	SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF THIS
2039	CONTRACT; or
2040	2. A clause which states: THIS AGREEMENT IS VOIDABLE BY
2041	BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO
2042	CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL
2043	HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE
2044	BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE MOST RECENT
2045	RESERVE STUDY REQUIRED BY SECTION 719.106, FLORIDA STATUTES, AND
2046	ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 719.1062,
2047	FLORIDA STATUTES. ANY PURPORTED WAIVER OF THESE VOIDABILITY
2048	RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR
2049	CLOSING FOR A PERIOD OF NOT MORE THAN 3 DAYS, EXCLUDING
2050	SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE BUYER RECEIVES
2051	THE MOST RECENT RESERVE STUDY REQUIRED BY SECTION 719.106,
2052	FLORIDA STATUTES, AND ALL MILESTONE INSPECTION REPORTS REQUIRED
2053	BY SECTION 719.1062, FLORIDA STATUTES. BUYER'S RIGHT TO VOID
2054	THIS AGREEMENT SHALL TERMINATE AT CLOSING.
2055	
2056	A contract that does not conform to the requirements of this
2057	paragraph is voidable at the option of the purchaser prior to
2058	closing.
2059	Section 20. Subsection (28) is added to section 719.504,

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2060 Florida Statutes, to read:

2061 719.504 Prospectus or offering circular.-Every developer of 2062 a residential cooperative which contains more than 20 2063 residential units, or which is part of a group of residential 2064 cooperatives which will be served by property to be used in common by unit owners of more than 20 residential units, shall 2065 2066 prepare a prospectus or offering circular and file it with the 2067 Division of Florida Condominiums, Timeshares, and Mobile Homes 2068 prior to entering into an enforceable contract of purchase and 2069 sale of any unit or lease of a unit for more than 5 years and 2070 shall furnish a copy of the prospectus or offering circular to 2071 each buyer. In addition to the prospectus or offering circular, 2072 each buyer shall be furnished a separate page entitled 2073 "Frequently Asked Questions and Answers," which must be in 2074 accordance with a format approved by the division. This page 2075 must, in readable language: inform prospective purchasers 2076 regarding their voting rights and unit use restrictions, 2077 including restrictions on the leasing of a unit; indicate 2078 whether and in what amount the unit owners or the association is 2079 obligated to pay rent or land use fees for recreational or other 2080 commonly used facilities; contain a statement identifying that 2081 amount of assessment which, pursuant to the budget, would be 2082 levied upon each unit type, exclusive of any special 2083 assessments, and which identifies the basis upon which 2084 assessments are levied, whether monthly, quarterly, or 2085 otherwise; state and identify any court cases in which the 2086 association is currently a party of record in which the 2087 association may face liability in excess of \$100,000; and state whether membership in a recreational facilities association is 2088

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2089 mandatory and, if so, identify the fees currently charged per 2090 unit type. The division shall by rule require such other 2091 disclosure as in its judgment will assist prospective 2092 purchasers. The prospectus or offering circular may include more 2093 than one cooperative, although not all such units are being 2094 offered for sale as of the date of the prospectus or offering 2095 circular. The prospectus or offering circular must contain the 2096 following information: 2097 (28) (a) If the budget of the association provides for 2098 funding accounts for deferred expenditures, including, but not 2099 limited to, funds for capital expenditures and deferred 2000 maintenance, but the association has voted to waive reserves or 2010 to use existing reserve funds for purposes other than purposes 2010 to use existing reserve funds for purposes other than purposes 2010 circular must also contain the following statement in 2010 conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN 2011 MHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING 2012 REGARDING THOSE ITEMS. 2013 LIABILITY FOR		580-02613-22 20227042
 2090 unit type. The division shall by rule require such other 2091 disclosure as in its judgment will assist prospective 2092 purchasers. The prospectus or offering circular may include more 2093 than one cooperative, although not all such units are being 2094 offered for sale as of the date of the prospectus or offering 2095 circular. The prospectus or offering circular must contain the 2096 following information: 2097 (28) (a) If the budget of the association provides for 2098 funding accounts for deferred expenditures, including, but not 2099 limited to, funds for capital expenditures and deferred 2000 maintenance, but the association has voted to waive reserves or 2010 to use existing reserve funds for purposes other than purposes 2010 for which the reserves were intended, the prospectus or offering 2013 circular must also contain the following statement in 2016 conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN 2016 WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING 2016 RESERVES UNDER SECTION 719.106, FLORIDA STATUTES. THE WAIVING OR 2017 ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT OWNER 2018 LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS 2019 REGARDING THOSE ITEMS. 2010 (b) If the association is required to perform a reserve 2011 study under section 719.106(1)(j) and the budget of the 2012 association has not provided an alternative funding method for 2014 the association's reserve obligations, the prospectus or 2015 offering circular must also contain the following statement in 	2089	
2091disclosure as in its judgment will assist prospective2092purchasers. The prospectus or offering circular may include more2093than one cooperative, although not all such units are being2094offered for sale as of the date of the prospectus or offering2095circular. The prospectus or offering circular must contain the2096following information:2097(28) (a) If the budget of the association provides for2098funding accounts for deferred expenditures, including, but not2099limited to, funds for capital expenditures and deferred2100maintenance, but the association has voted to waive reserves or2101to use existing reserve funds for purposes other than purposes2102for which the reserves were intended, the prospectus or offering2103circular must also contain the following statement in2104conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN2105WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING2106RESERVES UNDER SECTION 719.106, FLORIDA STATUTES. THE WAIVING OR2107ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT OWNER2118LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS2129REGARDING THOSE ITEMS.2131(b) If the association is required to perform a reserve2132study under section 719.106(1)(j) and the budget of the2133consistent with the reserve study currently in effect or the2134association has not provided an alternative funding method for2135the association's	2090	
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<pre>circular. The prospectus or offering circular must contain the following information:</pre>	2093	than one cooperative, although not all such units are being
2096following information:2097(28) (a) If the budget of the association provides for2098funding accounts for deferred expenditures, including, but not2099limited to, funds for capital expenditures and deferred2000maintenance, but the association has voted to waive reserves or2011to use existing reserve funds for purposes other than purposes2022for which the reserves were intended, the prospectus or offering2033circular must also contain the following statement in2044conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN2055WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING2067RESERVES UNDER SECTION 719.106, FLORIDA STATUTES. THE WAIVING OR2070ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT OWNER2080LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS2091REGARDING THOSE ITEMS.2010(b) If the association is required to perform a reserve2011study under section 719.106(1)(j) and the budget of the2012association does not fund the association's reserve obligations2013consistent with the reserve study currently in effect or the2014association has not provided an alternative funding method for2015the association's reserve obligations, the prospectus or2016offering circular must also contain the following statement in	2094	offered for sale as of the date of the prospectus or offering
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2101to use existing reserve funds for purposes other than purposes2102for which the reserves were intended, the prospectus or offering2103circular must also contain the following statement in2104conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN2105WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING2106RESERVES UNDER SECTION 719.106, FLORIDA STATUTES. THE WAIVING OR2107ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT OWNER2108LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS2109(b) If the association is required to perform a reserve2111study under section 719.106(1)(j) and the budget of the2122association does not fund the association's reserve obligations2133consistent with the reserve study currently in effect or the2144association has not provided an alternative funding method for2115the association's reserve obligations, the prospectus or2116offering circular must also contain the following statement in	2099	limited to, funds for capital expenditures and deferred
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<pre>circular must also contain the following statement in conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING RESERVES UNDER SECTION 719.106, FLORIDA STATUTES. THE WAIVING OR ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS. (b) If the association is required to perform a reserve study under section 719.106(1)(j) and the budget of the association does not fund the association's reserve obligations consistent with the reserve study currently in effect or the association has not provided an alternative funding method for the association's reserve obligations, the prospectus or offering circular must also contain the following statement in</pre>	2101	to use existing reserve funds for purposes other than purposes
<pre>2104 2104 2105 2105 2106 2106 RESERVES UNDER SECTION 719.106, FLORIDA STATUTES. THE WAIVING OR 2107 ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT OWNER 2108 LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS 2109 <u>REGARDING THOSE ITEMS.</u> 2110 (b) If the association is required to perform a reserve 2111 study under section 719.106(1)(j) and the budget of the 2122 association does not fund the association's reserve obligations 2133 consistent with the reserve study currently in effect or the 2144 association has not provided an alternative funding method for 2155 the association's reserve obligations, the prospectus or 2166 offering circular must also contain the following statement in</pre>	2102	for which the reserves were intended, the prospectus or offering
2105WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING2106RESERVES UNDER SECTION 719.106, FLORIDA STATUTES. THE WAIVING OR2107ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT OWNER2108LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS2109REGARDING THOSE ITEMS.2110(b) If the association is required to perform a reserve2111study under section 719.106(1)(j) and the budget of the2112association does not fund the association's reserve obligations2113consistent with the reserve study currently in effect or the2114association has not provided an alternative funding method for2115the association's reserve obligations, the prospectus or2116offering circular must also contain the following statement in	2103	circular must also contain the following statement in
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2108LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS2109REGARDING THOSE ITEMS.2110(b) If the association is required to perform a reserve2111study under section 719.106(1)(j) and the budget of the2112association does not fund the association's reserve obligations2113consistent with the reserve study currently in effect or the2114association has not provided an alternative funding method for2115the association's reserve obligations, the prospectus or2116offering circular must also contain the following statement in	2106	RESERVES UNDER SECTION 719.106, FLORIDA STATUTES. THE WAIVING OR
2109REGARDING THOSE ITEMS.2110(b) If the association is required to perform a reserve2111study under section 719.106(1)(j) and the budget of the2112association does not fund the association's reserve obligations2113consistent with the reserve study currently in effect or the2114association has not provided an alternative funding method for2115the association's reserve obligations, the prospectus or2116offering circular must also contain the following statement in	2107	ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT OWNER
(b) If the association is required to perform a reserve study under section 719.106(1)(j) and the budget of the association does not fund the association's reserve obligations consistent with the reserve study currently in effect or the association has not provided an alternative funding method for the association's reserve obligations, the prospectus or offering circular must also contain the following statement in	2108	LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS
2111 <u>study under section 719.106(1)(j) and the budget of the</u> 2112 <u>association does not fund the association's reserve obligations</u> 2113 <u>consistent with the reserve study currently in effect or the</u> 2114 <u>association has not provided an alternative funding method for</u> 2115 <u>the association's reserve obligations, the prospectus or</u> 2116 <u>offering circular must also contain the following statement in</u>	2109	REGARDING THOSE ITEMS.
2112 association does not fund the association's reserve obligations 2113 consistent with the reserve study currently in effect or the 2114 association has not provided an alternative funding method for 2115 the association's reserve obligations, the prospectus or 2116 offering circular must also contain the following statement in	2110	(b) If the association is required to perform a reserve
2113 <u>consistent with the reserve study currently in effect or the</u> 2114 <u>association has not provided an alternative funding method for</u> 2115 <u>the association's reserve obligations, the prospectus or</u> 2116 <u>offering circular must also contain the following statement in</u>	2111	study under section 719.106(1)(j) and the budget of the
2114 association has not provided an alternative funding method for 2115 the association's reserve obligations, the prospectus or 2116 offering circular must also contain the following statement in	2112	association does not fund the association's reserve obligations
2115 <u>the association's reserve obligations, the prospectus or</u> 2116 <u>offering circular must also contain the following statement in</u>	2113	consistent with the reserve study currently in effect or the
2116 offering circular must also contain the following statement in	2114	association has not provided an alternative funding method for
	2115	the association's reserve obligations, the prospectus or
2117 <u>conspicuous type: THE BOARD OF ADMINISTRATION FOR THIS</u>	2116	offering circular must also contain the following statement in
	2117	conspicuous type: THE BOARD OF ADMINISTRATION FOR THIS

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2118	ASSOCIATION HAS FAILED TO SATISFY THE ASSOCIATION'S RESERVE
2119	FUNDING OBLIGATIONS UNDER SECTION 719.106(1)(j), FLORIDA
2120	STATUTES. THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR
2121	FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND
2122	DEFERRED MAINTENANCE CONSISTENT WITH THE ASSOCIATION'S RESERVE
2123	STUDY. FAILURE TO FUND RESERVES CONSISTENT WITH THE
2124	ASSOCIATION'S RESERVE STUDY MAY RESULT IN UNANTICIPATED SPECIAL
2125	ASSESSMENTS REGARDING THOSE ITEMS.
2126	Section 21. Subsection (2) of section 558.002, Florida
2127	Statutes, is amended to read:
2128	558.002 Definitions.—As used in this chapter, the term:
2129	(2) "Association" has the same meaning as in <u>s. 718.103(3)</u>
2130	s. 718.103(2) , <u>s. 719.103(3)</u> s. 719.103(2) , s. 720.301(9), or s.
2131	723.075.
2132	Section 22. Subsection (2) of section 718.121, Florida
2133	Statutes, is amended to read:
2134	718.121 Liens
2135	(2) Labor performed on or materials furnished to a unit may
2136	not be the basis for the filing of a lien under part I of
2137	chapter 713, the Construction Lien Law, against the unit or
2138	condominium parcel of any unit owner not expressly consenting to
2139	or requesting the labor or materials. Labor performed on or
2140	materials furnished for the installation of a natural gas fuel
2141	station or an electric vehicle charging station under <u>s.</u>
2142	<u>718.113(9)</u> s. 718.113(8) may not be the basis for filing a lien
2143	under part I of chapter 713 against the association, but such a
2144	lien may be filed against the unit owner. Labor performed on or
2145	materials furnished to the common elements are not the basis for
2146	a lien on the common elements, but if authorized by the

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2147	association, the labor or materials are deemed to be performed
2148	or furnished with the express consent of each unit owner and may
2149	be the basis for the filing of a lien against all condominium
2150	parcels in the proportions for which the owners are liable for
2151	common expenses.
2152	Section 23. Subsection (3) of section 718.706, Florida
2153	Statutes, is amended to read:
2154	718.706 Specific provisions pertaining to offering of units
2155	by a bulk assignee or bulk buyer
2156	(3) A bulk assignee, while in control of the board of
2157	administration of the association, may not authorize, on behalf
2158	of the association:
2159	(a) The waiver of reserves or the reduction of funding of
2160	the reserves pursuant to s. 718.112(2)(f)2., unless approved by
2161	a majority of the voting interests not controlled by the
2162	developer, bulk assignee, and bulk buyer; or
2163	(b) The use of reserve expenditures for other purposes
2164	pursuant to <u>s. 718.112(2)(f)5.</u> s. 718.112(2)(f)3. , unless
2165	approved by a majority of the voting interests not controlled by
2166	the developer, bulk assignee, and bulk buyer.
2167	Section 24. Paragraph (d) of subsection (2) of section
2168	720.3085, Florida Statutes, is amended to read:
2169	720.3085 Payment for assessments; lien claims
2170	(2)
2171	(d) An association, or its successor or assignee, that
2172	acquires title to a parcel through the foreclosure of its lien
2173	for assessments is not liable for any unpaid assessments, late
2174	fees, interest, or reasonable attorney's fees and costs that
2175	came due before the association's acquisition of title in favor
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2176	of any other association, as defined in <u>s. 718.103(3)</u> s.
2177	718.103(2) or s. 720.301(9), which holds a superior lien
2178	interest on the parcel. This paragraph is intended to clarify
2179	existing law.
2180	Section 25. For the purpose of incorporating the amendment
2181	made by this act to section 718.1255, Florida Statutes, in a
2182	reference thereto, section 719.1255, Florida Statutes, is
2183	reenacted to read:
2184	719.1255 Alternative resolution of disputesThe Division
2185	of Florida Condominiums, Timeshares, and Mobile Homes of the
2186	Department of Business and Professional Regulation shall provide
2187	for alternative dispute resolution in accordance with s.
2188	718.1255.
2189	Section 26. This act shall take effect July 1, 2022.

SB 7042