

By the Committee on Regulated Industries

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1 A bill to be entitled
2 An act relating to community association building
3 safety; amending s. 718.103, F.S.; defining the term
4 "alternative funding method"; amending s. 718.111,
5 F.S.; revising the types of records that constitute
6 the official records of a condominium association;
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
10 reserve studies on the association's website; revising
11 rulemaking requirements for the Division of Florida
12 Condominiums, Timeshares, and Mobile Homes of the
13 Department of Business and Professional Regulation;
14 amending s. 718.112, F.S.; revising requirements for
15 association budgets; authorizing certain persons to
16 vote to waive reserve contributions or reduce reserve
17 funding under certain circumstances; authorizing
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
24 adopt rules; providing requirements for the reserve
25 study; requiring that reserve funds used for purposes
26 other than authorized expenditures be reinstated
27 within a specified timeframe; requiring financial
28 reports to include specified disclosures relating to
29 reserve funds under certain circumstances; creating s.

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718.1123, F.S.; providing legislative findings;
defining the term "milestone inspection"; specifying
that the purpose of a milestone inspection is not to
determine compliance with the Florida Building Code;
requiring that certain residential condominium
buildings have milestone inspections performed at
specified times; requiring boards to arrange for such
inspections; specifying that associations are
responsible for costs relating to milestone
inspections; requiring that initial milestone
inspections for certain buildings be performed before
a specified date; specifying that milestone
inspections consist of two phases; providing
requirements for each phase of a milestone inspection;
requiring architects and engineers performing a
milestone inspection to submit a sealed copy of the
inspection report to certain entities; requiring
boards to distribute a copy of each inspection report
to unit owners and publish the report on the
association's website under certain circumstances;
authorizing local enforcing agencies to prescribe
timelines and penalties relating to milestone
inspections; requiring associations to comply with
certain standards adopted by the Florida Building
Commission; amending s. 718.113, F.S.; requiring
associations to provide for the maintenance, repair,
and replacement of association property; requiring
associations to perform specified required maintenance
under certain circumstances; specifying that necessary

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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;
67 conforming cross-references; amending s. 718.116,
68 F.S.; requiring that estoppel certificates contain
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
86 certain circumstances; amending s. 719.103, F.S.;
87 defining the term "alternative funding method";

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amending s. 719.104, F.S.; revising the types of records that constitute the official records of a cooperative association; specifying that renters of a unit have the right to inspect and copy certain reports; revising rulemaking requirements for the division; specifying that maintenance of the cooperative property is the responsibility of associations; requiring associations to perform specified required maintenance under certain circumstances; specifying that necessary maintenance, repair, or replacement of cooperative property does not require unit owner approval; specifying that associations are not liable for certain expenses if a resident must vacate a unit or is denied access to a common element for specified reasons; amending s. 719.106, F.S.; revising requirements for association budgets; authorizing certain persons to vote to waive reserve contributions or reduce reserve funding under certain circumstances; authorizing reserves to be funded via the pooling method if certain requirements are met; requiring that reserve funds used for purposes other than authorized expenditures be reinstated within a specified timeframe; requiring certain associations to periodically have a study conducted relating to required reserves; requiring boards to annually review the results of such study to determine if reserves are sufficient; requiring the division to adopt rules; providing requirements for the reserve study; creating s. 719.1062, F.S.;

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providing legislative findings; defining the term
"milestone inspection"; specifying that the purpose of
a milestone inspection is not to determine compliance
with the Florida Building Code; requiring that certain
cooperative buildings have milestone inspections
performed at specified times; requiring boards to
arrange for such inspections; specifying that
associations are responsible for costs relating to
milestone inspections; requiring that initial
milestone inspections for certain buildings be
performed before a specified date; specifying that
milestone inspections consist of two phases; providing
requirements for each phase of a milestone inspection;
requiring architects and engineers performing a
milestone inspection to submit a sealed copy of the
inspection report to certain entities; requiring
boards to distribute a copy of each inspection report
to unit owners and publish the report on the
association's website under certain circumstances;
authorizing local enforcing agencies to prescribe
timelines and penalties relating to milestone
inspections; requiring associations to comply with
certain standards adopted by the commission; amending
s. 719.107, F.S.; authorizing boards to adopt a
special assessment or borrow money for certain reasons
without unit owner approval; amending s. 719.108,
F.S.; requiring that estoppel certificates contain
specified statements relating to reserves under
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.

166
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 Definitions.—As 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.
212 However, the association is not liable for an inadvertent
213 disclosure of the e-mail address or facsimile number for
214 receiving electronic transmission of notices.

215 8. All current insurance policies of the association and
216 condominiums operated by the association.

217 9. A current copy of any management agreement, lease, or
218 other contract to which the association is a party or under
219 which the association or the unit owners have an obligation or
220 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
226 destroys such records, or who knowingly or intentionally fails
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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and expenditures.

b. A current account and a monthly, bimonthly, or quarterly statement of the account for each unit designating the name of the unit owner, the due date and amount of each assessment, the amount paid on the account, and the balance due.

c. All audits, reviews, accounting statements, reserve studies, and financial reports of the association or condominium.

d. All contracts for work to be performed. Bids for work to be performed are also considered official records and must be maintained by the association for at least 1 year after receipt of the bid.

12. Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by unit owners, which must be maintained for 1 year from the date of the election, vote, or meeting to which the document relates, notwithstanding paragraph (b).

13. All rental records if the association is acting as agent for the rental of condominium units.

14. A copy of the current question and answer sheet as described in s. 718.504.

15. A copy of the inspection reports ~~report as~~ described in ss. 718.1123 and 718.301(4)(p) and any other inspection report relating to a structural or life safety inspection of association property ~~s. 718.301(4)(p)~~.

16. Bids for materials, equipment, or services.

17. All affirmative acknowledgments made pursuant to s. 718.121(4)(c).

18. All other written records of the association not

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specifically included in the foregoing which are related to the operation of the association.

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

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

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be maintained during the period for which such records are required to be maintained, or who knowingly or intentionally fails to create or maintain accounting records that are required to be created or maintained, with the intent of causing harm to the association or one or more of its members, is personally subject to a civil penalty pursuant to s. 718.501(1)(d).

3. The association shall maintain an adequate number of copies of the declaration, articles of incorporation, bylaws, and rules, and all amendments to each of the foregoing, as well as the question and answer sheet as described in s. 718.504 and year-end financial information required under this section, on the condominium property to ensure their availability to unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the documents. An association shall allow a member or his or her authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to make an electronic copy of the official records in lieu of the association's providing the member or his or her authorized representative with a copy of such records. The association may not charge a member or his or her authorized representative for the use of a portable device. Notwithstanding this paragraph, 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 work-product 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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or legal theory of the attorney or the association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.

b. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a unit.

c. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this sub-subparagraph, the term "personnel records" does not include written employment agreements with an association employee or management company, or budgetary or financial records that indicate the compensation paid to an association employee.

d. Medical records of unit owners.

e. Social security numbers, driver license numbers, credit card numbers, e-mail addresses, telephone numbers, facsimile numbers, emergency contact information, addresses of a unit owner other than as provided to fulfill the association's notice requirements, and other personal identifying information of any person, excluding the person's name, unit designation, mailing address, property address, and any address, e-mail address, or facsimile number provided to the association to fulfill the association's notice requirements. Notwithstanding the restrictions in this sub-subparagraph, an association may print and distribute to unit owners a directory containing the name, unit address, and all telephone numbers of each unit owner. However, an owner may exclude his or her telephone numbers from

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the directory by so requesting in writing to the association. An owner may consent in writing to the disclosure of other contact information described in this sub-subparagraph. The association is not liable for the inadvertent disclosure of information that is protected under this sub-subparagraph if the information is included in an official record of the association and is voluntarily provided by an owner and not requested by the association.

f. Electronic security measures that are used by the association to safeguard data, including passwords.

g. The software and operating system used by the association which allow the manipulation of data, even if the owner owns a copy of the same software used by the association. The data is part of the official records of the association.

h. All affirmative acknowledgments made pursuant to s. 718.121(4)(c).

(g)1. By January 1, 2019, an association managing a condominium with 150 or more units which does not contain timeshare units shall post digital copies of the documents specified in subparagraph 2. on its website or make such documents available through an application that can be downloaded on a mobile device.

a. The association's website or application must be:

(I) An independent website, application, or web portal wholly owned and operated by the association; or

(II) A website, application, or web portal operated by a third-party provider with whom the association owns, leases, rents, or otherwise obtains the right to operate a web page, subpage, web portal, collection of subpages or web portals, or

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an application which is dedicated to the association's activities and on which required notices, records, and documents may be posted or made available by the association.

b. The association's website or application must be accessible through the Internet and must contain a subpage, web portal, or other protected electronic location that is inaccessible to the general public and accessible only to unit owners and employees of the association.

c. Upon a unit owner's written request, the association must provide the unit owner with a username and password and access to the protected sections of the association's website or application which contain any notices, records, or documents that must be electronically provided.

2. A current copy of the following documents must be posted in digital format on the association's website or application:

a. The recorded declaration of condominium of each condominium operated by the association and each amendment to each declaration.

b. The recorded bylaws of the association and each amendment to the bylaws.

c. The articles of incorporation of the association, or other documents creating the association, and each amendment to the articles of incorporation or other documents. The copy posted pursuant to this sub-subparagraph must be a copy of the articles of incorporation filed with the Department of State.

d. The rules of the association.

e. A list of all executory contracts or documents to which the association is a party or under which the association or the unit owners have an obligation or responsibility and, after

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bidding for the related materials, equipment, or services has closed, a list of bids received by the association within the past year. Summaries of bids for materials, equipment, or services which exceed \$500 must be maintained on the website or application for 1 year. In lieu of summaries, complete copies of the bids may be posted.

f. The annual budget required by s. 718.112(2)(f) and any proposed budget to be considered at the annual meeting.

g. The financial report required by subsection (13) and any monthly income or expense statement to be considered at a meeting.

h. The certification of each director required by s. 718.112(2)(d)4.b.

i. All contracts or transactions between the association and any director, officer, corporation, firm, or association that is not an affiliated condominium association or any other entity in which an association director is also a director or officer and financially interested.

j. Any contract or document regarding a conflict of interest or possible conflict of interest as provided in ss. 468.436(2)(b)6. and 718.3027(3).

k. The notice of any unit owner meeting and the agenda for the meeting, as required by s. 718.112(2)(d)3., no later than 14 days before the meeting. The notice must be posted in plain view on the front page of the website or application, or on a separate subpage of the website or application labeled "Notices" which is conspicuously visible and linked from the front page. The association must also post on its website or application any document to be considered and voted on by the owners during the

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meeting or any document listed on the agenda at least 7 days before the meeting at which the document or the information within the document will be considered.

1. Notice of any board meeting, the agenda, and any other document required for the meeting as required by s. 718.112(2)(c), which must be posted no later than the date required for notice under s. 718.112(2)(c).

m. The inspection reports described in ss. 718.1123 and 718.301(4)(p) and any other inspection report relating to a structural or life safety inspection of association property.

n. The reserve study required under s. 718.112(2).

3. The association shall ensure that the information and records described in paragraph (c), which are not allowed to be accessible to unit owners, are not posted on the association's website or application. If protected information or information restricted from being accessible to unit owners is included in documents that are required to be posted on the association's website or application, the association shall ensure the information is redacted before posting the documents. Notwithstanding the foregoing, the association or its agent is not liable for disclosing information that is protected or restricted under this paragraph unless such disclosure was made with a knowing or intentional disregard of the protected or restricted nature of such information.

4. The failure of the association to post information required under subparagraph 2. is not in and of itself sufficient to invalidate any action or decision of the association's board or its committees.

(13) FINANCIAL REPORTING.—Within 90 days after the end of

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the fiscal year, or annually on a date provided in the bylaws, the association shall prepare and complete, or contract for the preparation and completion of, a financial report for the preceding fiscal year. Within 21 days after the final financial report is completed by the association or received from the third party, but not later than 120 days after the end of the fiscal year or other date as provided in the bylaws, the association shall mail to each unit owner at the address last furnished to the association by the unit owner, or hand deliver to each unit owner, a copy of the most recent financial report or a notice that a copy of the most recent financial report will be mailed or hand delivered to the unit owner, without charge, within 5 business days after receipt of a written request from the unit owner. The division shall adopt rules setting forth uniform accounting principles and standards to be used by all associations and addressing the financial reporting requirements for multicondominium associations. The rules must include, but not be limited to, standards for presenting a summary of association reserves, including a good faith estimate disclosing the annual amount of reserve funds that would be necessary for the association to fully fund reserves for each reserve item based on the straight-line accounting method or on the pooling method. ~~This disclosure is not applicable to reserves funded via the pooling method.~~ In adopting such rules, the division shall consider the number of members and annual revenues of an association. Financial reports shall be prepared as follows:

(a) An association that meets the criteria of this paragraph shall prepare a complete set of financial statements in accordance with generally accepted accounting principles. The

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financial statements must be based upon the association's total annual revenues, as follows:

1. An association with total annual revenues of \$150,000 or more, but less than \$300,000, shall prepare compiled financial statements.

2. An association with total annual revenues of at least \$300,000, but less than \$500,000, shall prepare reviewed financial statements.

3. An association with total annual revenues of \$500,000 or more shall prepare audited financial statements.

(b)1. An association with total annual revenues of less than \$150,000 shall prepare a report of cash receipts and expenditures.

2. A report of cash receipts and disbursements must disclose the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications, including, but not limited to, the following, as applicable: costs for security, professional and management fees and expenses, taxes, costs for recreation facilities, expenses for refuse collection and utility services, expenses for lawn care, costs for building maintenance and repair, insurance costs, administration and salary expenses, and reserves accumulated and expended for capital expenditures, deferred maintenance, and any other category for which the association maintains reserves.

(c) An association may prepare, without a meeting of or approval by the unit owners:

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

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and expenditures;

2. Reviewed or audited financial statements, if the association is required to prepare compiled financial statements; or

3. Audited financial statements if the association is required to prepare reviewed financial statements.

(d) If approved by a majority of the voting interests present at a properly called meeting of the association, an association may prepare:

1. A report of cash receipts and expenditures in lieu of a compiled, reviewed, or audited financial statement;

2. A report of cash receipts and expenditures or a compiled financial statement in lieu of a reviewed or audited financial statement; or

3. A report of cash receipts and expenditures, a compiled financial statement, or a reviewed financial statement in lieu of an audited financial statement.

Such meeting and approval must occur before the end of the fiscal year and is effective only for the fiscal year in which the vote is taken, except that the approval may also be effective for the following fiscal year. If the developer has not turned over control of the association, all unit owners, including the developer, may vote on issues related to the preparation of the association's financial reports, from the date of incorporation of the association through the end of the second fiscal year after the fiscal year in which the certificate of a surveyor and mapper is recorded pursuant to s. 718.104(4)(e) or an instrument that transfers title to a unit in

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the condominium which is not accompanied by a recorded assignment of developer rights in favor of the grantee of such unit is recorded, whichever occurs first. Thereafter, all unit owners except the developer may vote on such issues until control is turned over to the association by the developer. Any audit or review prepared under this section shall be paid for by the developer if done before turnover of control of the association.

(e) A unit owner may provide written notice to the division of the association's failure to mail or hand deliver him or her a copy of the most recent financial report within 5 business days after he or she submitted a written request to the association for a copy of such report. If the division determines that the association failed to mail or hand deliver a copy of the most recent financial report to the unit owner, the division shall provide written notice to the association that the association must mail or hand deliver a copy of the most recent financial report to the unit owner and the division within 5 business days after it receives such notice from the division. An association that fails to comply with the division's request may not waive the financial reporting requirement provided in paragraph (d) for the fiscal year in which the unit owner's request was made and the following fiscal year. A financial report received by the division pursuant to this paragraph shall be maintained, and the division shall provide a copy of such report to an association member upon his or her request.

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

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581 718.112 Bylaws.—

582 (2) REQUIRED PROVISIONS.—The 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
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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property identified in s. 718.301(4)(p) ~~roof replacement,~~
~~building painting, and pavement resurfacing,~~ regardless of the
amount of deferred maintenance expense or replacement cost, and
any other item that has a deferred maintenance expense or
replacement cost that exceeds \$10,000. The amount to be reserved
must be computed using a formula based upon estimated remaining
useful life and estimated replacement cost or deferred
maintenance expense of each reserve item. The association may
adjust replacement reserve assessments annually to take into
account any changes in estimates or extension of the useful life
of a reserve item caused by deferred maintenance. This
subsection does not apply to an adopted budget in which the
members of an association have determined, by a majority vote at
a duly called meeting of the association, to provide no reserves
or less reserves than required by this subsection. If an
association is required to perform a reserve study under
subparagraph 3., the members of the association may vote to
waive reserve contributions or reduce reserve funding if the
association's reserve obligations are funded consistent with the
reserve study currently in effect or if the association provides
an alternative funding method for the association's reserve
obligations. Reserves may be funded using the pooling method;
however, funding for the maintenance, repair, or replacement of
the association property identified in s. 718.301(4)(p) may not
be pooled with reserves for other expenses of the association.

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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reserves through the period expiring at the end of the second fiscal year after the fiscal year in which the certificate of a surveyor and mapper is recorded pursuant to s. 718.104(4)(e) or an instrument that transfers title to a unit in the condominium which is not accompanied by a recorded assignment of developer rights in favor of the grantee of such unit is recorded, whichever occurs first, after which time reserves may be waived or reduced only upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the association. If an association is required to perform a reserve study under subparagraph 3., the developer may vote to waive reserve contributions or reduce reserve funding only if the association's reserve obligations are funded consistent with the reserve study currently in effect or if the association provides an alternative funding method for the association's reserve obligations. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and no such result is achieved or a quorum is not attained, the reserves included in the budget shall go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves.

3. Unless the governing documents provide for a more frequent reserve study, an association with a residential condominium building that is three stories or more in height must have a study conducted of the reserves required to repair, replace, and restore the association property identified in s. 718.301(4)(p) at least every 3 years. The board shall review the results of such study at least annually to determine if reserves are sufficient to meet the association's reserve obligations and

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to make any adjustments the board deems necessary to maintain reserves, as appropriate. The division shall adopt rules setting forth uniform standards and forms for reserve studies. The reserve study must include, without limitation:

a. A summary of any inspection of the major components of the association property identified in s. 718.301(4)(p) and any other portion of the association property that the association is obligated to maintain, repair, replace, or restore;

b. If applicable, a summary of the findings and recommendations of the milestone inspection report required under s. 718.1123;

c. An estimate of the remaining useful life of each major component of the association property identified in s. 718.301(4)(p) and any other portion of the association property that the association is obligated to maintain, repair, replace, or restore identified pursuant to a milestone inspection or any other structural or life safety inspection of the association property;

d. An estimate of the cost of maintenance, repair, replacement, or restoration of each major component of the association property identified in s. 718.301(4)(p) and any other portion of the association property identified pursuant to sub-subparagraph c. during and at the end of its useful life; and

e. An estimate of the total annual assessment that may be necessary to cover the cost of maintaining, repairing, replacing, or restoring the major components of the association property identified in s. 718.301(4)(p) and any other portion of the association property identified pursuant to sub-subparagraph

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c., after subtracting the reserves of the association as of the date of the study, and an estimate of the funding plan, including any alternative funding method, which may be necessary to provide adequate funding for the required reserves.

4. To the extent that the reserve study conducted in accordance with this paragraph indicates a need to budget for reserves, the annual budget must include:

a. The identification of all items for which reserves are or will be established;

b. The current estimated replacement cost, estimated remaining life, and estimated useful life of the association property identified in s. 718.301(4) (p);

c. As of the beginning of the fiscal year for which the budget is prepared, the current amount of accumulated cash reserves set aside to repair, replace, or restore the reserve components and the amount of the expected contribution to the reserve fund for that fiscal year;

d. A description of the funding plan for the reserve funding obligations of the association, including the use of regular assessments, special assessments, and any other alternative funding method; and

e. A description of the procedures used for the estimation and accumulation of reserves pursuant to this paragraph, the identity of any independent third party who conducted the reserve study on behalf of the association, and the extent to which the association is funding its reserve obligations consistent with the reserve study currently in effect.

5.3- Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and may be used only

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

6.a.4. ~~The only voting interests that are eligible to vote on questions that involve waiving or reducing the funding of reserves, or using existing reserve funds for purposes other than purposes for which the reserves were intended, are the voting interests of the units subject to assessment to fund the reserves in question. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserve funds for purposes other than purposes for which the reserves were intended must contain the following statement in capitalized, bold letters in a font size larger than any other used on the face of the proxy ballot: WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED 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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the association has voted to waive reserves or to use existing reserve funds for purposes other than purposes for which the reserves were intended, a financial report must 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.

c. If the association is required to perform a reserve study under this paragraph 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 financial report 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 STUDY. FAILURE TO FUND RESERVES CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

Section 4. Section 718.1123, Florida Statutes, is created to read:

718.1123 Mandatory structural inspections.—

(1) The Legislature finds that maintaining the structural integrity of a condominium building throughout its service life

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is of paramount importance in order to ensure that buildings are structurally sound so as not to pose a threat to the public health, safety, or welfare. As such, the Legislature finds that the imposition of a statewide structural inspection program for aging residential condominium buildings in this state is necessary to ensure that such buildings are safe for continued use.

(2) As used in this section, the term "milestone inspection" means a structural inspection of a building by a licensed architect or engineer authorized to practice in this state for the purposes of attesting to the life safety and adequacy of the structural components of the building and, to the extent reasonably possible, determining the general structural condition of the building as it affects the safety of such building. The purpose of such inspection is not to determine if the condition of an existing building is in compliance with the Florida Building Code.

(3) A residential condominium building that is three stories or more in height must have a milestone inspection performed by December 31 of the year in which the building reaches 30 years of age, based on the date the certificate of occupancy was issued, and every 10 years thereafter. A residential condominium building that is three stories or more in height and is located within 3 miles of a coastline as defined in s. 376.031 must have a milestone inspection by December 31 of the year in which the building reaches 20 years of age, based on the date the certificate of occupancy was issued, and every 7 years thereafter. If a condominium building 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 (6).

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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engineer or licensed architect who has a minimum of 5 years of experience designing the primary structural components of buildings and a minimum of 5 years of experience inspecting structural components of existing buildings of a similar size, scope, and type of construction. A phase two inspection may involve destructive or nondestructive testing at the inspector's direction. The inspection may be as extensive or as limited as necessary to fully assess damaged areas of the building in order to confirm that the building is safe for its intended use or to recommend a program for fully assessing and repairing damaged portions of the building. When determining testing locations, the inspector must give preference to locations that are the least disruptive and most easily repairable while still being representative of the structure. An inspector who completes the second phase of a milestone inspection shall prepare and submit an inspection report pursuant to subsection (6).

(6) Upon completion of a phase one or phase two milestone inspection, the architect or engineer who performed the inspection must submit a sealed copy of the inspection report to the board of administration and to the building official of the local government that has jurisdiction. The board of administration must distribute a copy of each inspection report to each unit owner, regardless of whether there are deficiencies reported. If the association is required by law to have a website, it must publish the report on the association's website.

(7) A local enforcing agency may prescribe timelines and penalties with respect to compliance with this section.

(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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unit owners entitled to use the limited common elements.

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

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

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operated by the same association or requiring board approval before a material alteration or substantial addition to the common elements is permitted. This paragraph is intended to clarify existing law and applies to associations existing on July 1, 2018.

(c) There shall not be any material alteration or substantial addition made to association real property operated by a multicondominium association, except as provided in the declaration, articles of incorporation, or bylaws as originally recorded or as amended under the procedures provided therein. If the declaration, articles of incorporation, or bylaws as originally recorded or as amended under the procedures provided therein do not specify the procedure for approving an alteration or addition to association real property, the approval of 75 percent of the total voting interests of the association is required before the material alterations or substantial additions are commenced. This paragraph is intended to clarify existing law and applies to associations existing on July 1, 2018.

(d) The necessary maintenance, repair, or replacement of association property is not a material alteration or substantial addition requiring unit owner approval.

(4) The association is not liable for alternative housing costs, lost rent, or other expenses if a resident must vacate a unit or is denied access to a common element for necessary maintenance, repair, or replacement of association property.

Section 6. Paragraphs (a) and (e) of subsection (1) of section 718.115, Florida Statutes, are amended to read

718.115 Common expenses and common surplus.—

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

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borrow money on behalf of the association, including any provision in the governing documents requiring unit owner voting or approval, the board may adopt a special assessment or borrow money for the necessary maintenance, repair, or replacement of association property.

(e) The expense of installation, replacement, operation, repair, and maintenance of hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection by the board pursuant to s. 718.113(6) ~~s. 718.113(5)~~ constitutes a common expense and shall be collected as provided in this section if the association is responsible for the maintenance, repair, and replacement of the hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection pursuant to the declaration of condominium. However, if the maintenance, repair, and replacement of the hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection are the responsibility of the unit owners pursuant to the declaration of condominium, the cost of the installation of the hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection is not a common expense and shall be charged individually to the unit owners based on the cost of installation of the hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection appurtenant to the unit. Notwithstanding s. 718.116(9), and regardless of whether or not the declaration requires the association or unit owners to maintain, repair, or replace hurricane shutters, impact glass, code-compliant windows

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or doors, or other types of code-compliant hurricane protection, a unit owner who has previously installed hurricane shutters in accordance with s. 718.113(6) ~~s. 718.113(5)~~ that comply with the current applicable building code shall receive a credit when the shutters are installed; a unit owner who has previously installed impact glass or code-compliant windows or doors that comply with the current applicable building code shall receive a credit when the impact glass or code-compliant windows or doors are installed; and a unit owner who has installed other types of code-compliant hurricane protection that comply with the current applicable building code shall receive a credit when the same type of other code-compliant hurricane protection is installed, and the credit shall be equal to the pro rata portion of the assessed installation cost assigned to each unit. However, such unit owner remains responsible for the pro rata share of expenses for hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection installed on common elements and association property by the board pursuant to s. 718.113(6) ~~s. 718.113(5)~~ and remains responsible for a pro rata share of the expense of the replacement, operation, repair, and maintenance of such shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection.

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

718.116 Assessments; liability; lien and priority; interest; collection.—

(1)

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(b)1. The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due before the mortgagee's acquisition of title is limited to the lesser of:

a. The unit's unpaid common expenses and regular periodic assessments which accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or

b. One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action. Joinder of the association is not required if, on the date the complaint is filed, the association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.

2. An association, or its successor or assignee, that acquires title to a unit through the foreclosure of its lien for assessments is not liable for any unpaid assessments, late fees, interest, or reasonable attorney's fees and costs that came due before the association's acquisition of title in favor of any other association, as defined in s. 718.103(3) ~~s. 718.103(2)~~ or s. 720.301(9), which holds a superior lien interest on the unit. This subparagraph is intended to clarify existing law.

(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

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entity with a street or e-mail address for receipt of a request for an estoppel certificate issued pursuant to this section. The estoppel certificate must be provided by hand delivery, regular mail, or e-mail to the requestor on the date of issuance of the estoppel certificate.

(j) 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 estoppel certificate 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.

(k) 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 estoppel certificate 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

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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) DEFINITIONS.—As 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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state, attesting to required maintenance, condition, useful life, and replacement costs of the following applicable association property ~~common elements~~ comprising a turnover inspection report:

1. Roof.
2. Structure.
3. Fireproofing and fire protection systems.
4. Elevators.
5. Heating and cooling systems.
6. Plumbing.
7. Electrical systems.
8. Swimming pool or spa and equipment.
9. Seawalls.
10. Pavement and parking areas.
11. Drainage systems.
12. Painting.
13. Irrigation systems.
14. Waterproofing.

Section 10. Paragraph (b) of subsection (1) of section 718.503, Florida Statutes, is amended, and paragraph (d) is added to subsection (2) of that section, to read:

718.503 Developer disclosure prior to sale; nondeveloper unit owner disclosure prior to sale; voidability.—

(1) DEVELOPER DISCLOSURE.—

(b) *Copies of documents to be furnished to prospective buyer or lessee.*—Until such time as the developer has furnished the documents listed below to a person who has entered into a contract to purchase a residential unit or lease it for more than 5 years, the contract may be voided by that person,

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

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

2. The documents creating the association.

3. The bylaws.

4. The ground lease or other underlying lease of the 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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recreation and other common areas.

15. A copy of all covenants and restrictions that ~~which~~ will affect the use of the property and ~~which~~ are not contained in the foregoing.

16. If the developer is required by state or local authorities to obtain acceptance or approval of any dock or marina facilities intended to serve the condominium, a copy of any such acceptance or approval acquired by the time of filing with the division under s. 718.502(1), or a statement that such acceptance or approval has not been acquired or received.

17. Evidence demonstrating that the developer has an ownership, leasehold, or contractual interest in the land upon which the condominium is to be developed.

18. A copy of the reserve study required under s. 718.112(2)(f), along with a report or financial statement indicating the status of the reserves.

(2) NONDEVELOPER DISCLOSURE.—

(d) If the building in which the condominium unit is located is subject to the reserve study requirements in s. 718.112(2)(f) and the milestone inspection requirements in s. 718.1123, each contract for the resale of a residential unit must contain in conspicuous type either:

1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE MOST RECENT RESERVE STUDY REQUIRED BY SECTION 718.112, FLORIDA STATUTES, AND ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 718.1123, FLORIDA STATUTES, MORE THAN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF THIS 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 circular.—Every 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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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
1313 "Frequently Asked Questions and Answers," which shall be in
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
1324 assessments, and which shall further identify the basis upon
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 Definitions.—As 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 1. The plans, permits, warranties, and other items provided
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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not be limited to:

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

b. A current account and a monthly, bimonthly, or quarterly statement of the account for each unit designating the name of the unit owner, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

c. All audits, reviews, accounting statements, reserve studies, and financial reports of the association.

d. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of 1 year.

10. Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by unit owners, which shall be maintained for a period of 1 year after the date of the election, vote, or meeting to which the document relates.

11. All rental records where the association is acting as agent for the rental of units.

12. A copy of the current question and answer sheet as described in s. 719.504.

13. All affirmative acknowledgments made pursuant to s. 719.108(3)(b)3.

14. A copy of the inspection reports as described in ss. 719.1062 and 719.301(4)(p) and any other inspection report relating to a structural or life safety inspection of the cooperative property.

15. All other written records of the association not specifically included in the foregoing which are related to the operation of the association.

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

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

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

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proceedings, or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.

2. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a unit.

3. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subparagraph, the term "personnel records" does not include written employment agreements with an association employee or management company, or budgetary or financial records that indicate the compensation paid to an association employee.

4. Medical records of unit owners.

5. Social security numbers, driver license numbers, credit card numbers, e-mail addresses, telephone numbers, facsimile numbers, emergency contact information, addresses of a unit owner other than as provided to fulfill the association's notice requirements, and other personal identifying information of any person, excluding the person's name, unit designation, mailing address, property address, and any address, e-mail address, or facsimile number provided to the association to fulfill the association's notice requirements. Notwithstanding the restrictions in this subparagraph, an association may print and distribute to unit owners a directory containing the name, unit address, and all telephone numbers of each unit owner. However, an owner may exclude his or her telephone numbers from the directory by so requesting in writing to the association. An owner may consent in writing to the disclosure of other contact

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information described in this subparagraph. The association is not liable for the inadvertent disclosure of information that is protected under this subparagraph if the information is included in an official record of the association and is voluntarily provided by an owner and not requested by the association.

6. Electronic security measures that are used by the association to safeguard data, including passwords.

7. The software and operating system used by the association which allow the manipulation of data, even if the owner owns a copy of the same software used by the association. The data is part of the official records of the association.

8. All affirmative acknowledgments made pursuant to s. 719.108(3)(b)3.

(4) FINANCIAL REPORT.—

(a) Within 90 days following the end of the fiscal or calendar year or annually on such date as provided in the bylaws of the association, the board of administration shall prepare and complete, or contract with a third party to prepare and complete, a financial report covering the preceding fiscal or calendar year. Within 21 days after the financial report is completed by the association or received from the third party, but no later than 120 days after the end of the fiscal year, calendar year, or other date provided in the bylaws, the association shall provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. The division shall adopt rules setting forth uniform accounting principles, standards, and reporting requirements. 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 PROVISIONS.—The bylaws or other cooperative
1595 documents shall provide for the following, and if they do not,

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they shall be deemed to include the following:

(j) *Annual budget.*—

1. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in s. 719.504(20). The board of administration shall adopt the annual budget at least 14 days prior to the start of the association's fiscal year. In the event that the board fails to timely adopt the annual budget a second time, it shall be deemed a minor violation and the prior year's budget shall continue in effect until a new budget is adopted.

2. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, the maintenance and replacement of the cooperative property identified in s. 719.301(4)(p) ~~roof replacement, building painting, and pavement resurfacing~~, regardless of the amount of deferred maintenance expense or replacement cost, and for any other items for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This paragraph shall not apply to any budget in which the members of an association have, at a duly called

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meeting of the association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. If an association is required to perform a reserve study under this paragraph, the members of the association may vote to waive reserve contributions or reduce reserve funding if the association's reserve obligations are funded consistent with the reserve study currently in effect or if the association provides an alternative funding method for the association's reserve obligations. Reserves may be funded using the pooling method; however, funding for the maintenance, repair, or replacement of the cooperative property identified in s. 719.301(4) (p) may not be pooled with reserves for other expenses of the association.

3. ~~However,~~ Prior to turnover of control of an association by a developer to unit owners other than a developer pursuant to s. 719.301, the developer may vote to waive the reserves or reduce the funding of reserves for the first 2 years of the operation of the association after which time reserves may only be waived or reduced upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the association. If a meeting of the unit owners has been called to determine to provide no reserves, or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect. For an association that is required to perform a reserve study under this paragraph, the developer may only vote to waive reserve contributions or reduce reserve funding if the association's 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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reserve study must include, without limitation:

a. A summary of any inspection of the major components of the cooperative property identified in s. 719.301(4)(p) and any other portion of the cooperative property that the association is obligated to maintain, repair, replace, or restore;

b. If applicable, a summary of the findings and recommendations of the milestone inspection report required under s. 719.1062;

c. An estimate of the remaining useful life of each major component of the cooperative property identified in s. 719.301(4)(p) and any other portion of the cooperative property that the association is obligated to maintain, repair, replace, or restore identified pursuant to a milestone inspection and any other structural or life safety inspection of the cooperative property;

d. An estimate of the cost of maintenance, repair, replacement, or restoration of each major component of the cooperative property identified in s. 719.301(4)(p) and any other portion of the cooperative property that the association is obligated to maintain, repair, replace, or restore identified pursuant to sub-subparagraph c. during and at the end of its useful life; and

e. An estimate of the total annual assessment that may be necessary to cover the cost of maintaining, repairing, replacing, or restoring the major components of the cooperative property identified in s. 719.301(4)(p) and any other portion of the cooperative property identified pursuant to sub-subparagraph c., after subtracting the reserves of the association as of the date of the study, and an estimate of the funding plan,

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including any alternative funding method, that may be necessary to provide adequate funding for the required reserves.

6. To the extent that the reserve study conducted in accordance with this paragraph indicates a need to budget for reserves, the annual budget must include:

a. The identification of all items for which reserves are or will be established;

b. The current estimated replacement cost, estimated remaining life, and estimated useful life of the cooperative property identified in s. 719.301(4) (p);

c. As of the beginning of the fiscal year for which the budget is prepared, the current amount of accumulated cash reserves set aside to repair, replace, or restore the reserve components and the amount of the expected contribution to the reserve fund for that fiscal year;

d. A description of the funding plan for the reserve funding obligations of the association, including the use of regular assessments, special assessments, and any other alternative funding method; and

e. A description of the procedures used for the estimation and accumulation of reserves pursuant to this paragraph, the identity of any independent third party who conducted the reserve study on behalf of the association, and the extent to which the association is funding its reserve obligations consistent with the reserve study currently in effect.

7. 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

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reserve funds for purposes other than purposes for which the reserves were intended, a financial report must 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(1)(j), 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.

8. If the association is required to perform a reserve study under this paragraph 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 financial report 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 719.106(1)(j), 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 STUDY. FAILURE TO FUND RESERVES CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

Section 15. Section 719.1062, Florida Statutes, is created to read:

719.1062 Mandatory structural inspections.—

(1) The Legislature finds that maintaining the structural integrity of a cooperative building throughout its service life is of paramount importance in order to ensure that buildings are

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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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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
1846 the board of administration of the association and to the
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
1850 are deficiencies reported, and if the association is required by
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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Florida Building Commission.

Section 16. Paragraph (f) is added to subsection (1) of section 719.107, Florida Statutes, to read:

719.107 Common expenses; assessment.—

(1)

(f) Notwithstanding any provision in a declaration requiring, prohibiting, or limiting a board of administration's authority to adopt a special assessment or to borrow money on behalf of the association, including any provision in the governing documents requiring unit owner voting or approval, the board may adopt a special assessment or borrow money for the necessary maintenance, repair, or replacement of the cooperative property identified in s. 719.301(4)(p).

Section 17. Paragraphs (j) and (k) are added to subsection (6) of section 719.108, Florida Statutes, to read:

719.108 Rents and assessments; liability; lien and priority; interest; collection; cooperative ownership.—

(6) Within 10 business days after receiving a written or electronic request for an estoppel certificate 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 entity with a street or e-mail address for receipt of a request for an estoppel certificate issued pursuant to this section. The estoppel certificate must be provided by hand delivery, regular mail, or e-mail to the requestor on the date of issuance of the estoppel certificate.

(j) If the budget of the association provides for funding accounts for deferred expenditures, including, but not limited

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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 estoppel certificate 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(1)(j), 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.

(k) 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 estoppel certificate 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 719.106(1)(j), 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 STUDY. FAILURE TO FUND RESERVES CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

Section 18. Paragraph (p) is added to subsection (4) of section 719.301, Florida Statutes, to read:

719.301 Transfer of association control.—

(4) When unit owners other than the developer elect a

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majority of the members of the board of administration of an association, the developer shall relinquish control of the association, and the unit owners shall accept control. Simultaneously, or for the purpose of paragraph (c) not more than 90 days thereafter, the developer shall deliver to the association, at the developer's expense, all property of the unit owners and of the association held or controlled by the developer, including, but not limited to, the following items, if applicable, as to each cooperative operated by the association:

(p) A report included in the official records, under seal of an architect or engineer authorized to practice in this state, attesting to required maintenance, condition, useful life, and replacement costs of the following applicable cooperative property comprising a turnover inspection report:

1. Roof.
2. Structure.
3. Fireproofing and fire protection systems.
4. Elevators.
5. Heating and cooling systems.
6. Plumbing.
7. Electrical systems.
8. Swimming pool or spa and equipment.
9. Seawalls.
10. Pavement and parking areas.
11. Drainage systems.
12. Painting.
13. Irrigation systems.
14. Waterproofing.

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Section 19. Paragraph (b) of subsection (1) of section 719.503, Florida Statutes, is amended, and paragraph (d) is added to subsection (2) of that section, to read:

719.503 Disclosure prior to sale.—

(1) DEVELOPER DISCLOSURE.—

(b) *Copies of documents to be furnished to prospective buyer or lessee.*—Until such time as the developer has furnished the documents listed below to a person who has entered into a contract to purchase a unit or lease it for more than 5 years, the contract may be voided by that person, entitling the person to a refund of any deposit together with interest thereon as provided in s. 719.202. The contract may be terminated by written notice from the proposed buyer or lessee delivered to the developer within 15 days after the buyer or lessee receives all of the documents required by this section. The developer may ~~shall~~ not close for 15 days after ~~following~~ the execution of the agreement and delivery of the documents to the buyer as evidenced by a receipt for documents signed by the buyer unless the buyer is informed in the 15-day voidability period and agrees to close before ~~prior to~~ the expiration of the 15 days. The developer shall retain in his or her records a separate signed agreement as proof of the buyer's agreement to close before ~~prior to~~ the expiration of the ~~said~~ voidability period. The developer must retain such ~~Said proof shall be retained~~ for a period of 5 years after the date of the closing transaction. The documents to be delivered to the prospective buyer are the prospectus or disclosure statement with all exhibits, if the development is subject to ~~the provisions of~~ s. 719.504, or, if not, then copies of the following which are applicable:

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1. The question and answer sheet described in s. 719.504, and cooperative documents, or the proposed cooperative documents if the documents have not been recorded, which shall include the certificate of a surveyor approximately representing the locations required by s. 719.104.

2. The documents creating the association.

3. The bylaws.

4. The ground lease or other underlying lease of the cooperative.

5. The management contract, maintenance contract, and other contracts for management of the association and operation of the cooperative and facilities used by the unit owners having a service term in excess of 1 year, and any management contracts that are renewable.

6. The estimated operating budget for the cooperative and a schedule of expenses for each type of unit, including fees assessed to a shareholder who has exclusive use of limited common areas, where such costs are shared only by those entitled to use such limited common areas.

7. The lease of recreational and other facilities that will be used only by unit owners of the subject cooperative.

8. The lease of recreational and other common areas that will be used by unit owners in common with unit owners of other cooperatives.

9. The form of unit lease if the offer is of a leasehold.

10. Any declaration of servitude of properties serving the cooperative but not owned by unit owners or leased to them or the association.

11. If the development is to be built in phases or if the

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association is to manage more than one cooperative, a description of the plan of phase development or the arrangements for the association to manage two or more cooperatives.

12. If the cooperative is a conversion of existing improvements, the statements and disclosure required by s. 719.616.

13. The form of agreement for sale or lease of units.

14. A copy of the floor plan of the unit and the plot plan showing the location of the residential buildings and the recreation and other common areas.

15. A copy of all covenants and restrictions that ~~which~~ will affect the use of the property and ~~which~~ are not contained in the foregoing.

16. If the developer is required by state or local authorities to obtain acceptance or approval of any dock or marina facilities intended to serve the cooperative, a copy of any such acceptance or approval acquired by the time of filing with the division pursuant to s. 719.502(1) or a statement that such acceptance or approval has not been acquired or received.

17. Evidence demonstrating that the developer has an ownership, leasehold, or contractual interest in the land upon which the cooperative is to be developed.

18. A copy of the reserve study required under s. 719.106(1)(j), along with a report or financial statement indicating the status of the reserves.

(2) NONDEVELOPER DISCLOSURE.—

(d) If the building in which the cooperative unit is located is subject to the reserve study requirements in s. 719.106(1)(j) and the milestone inspection requirements in s.

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719.1062, each contract for the resale of a residential unit must also contain in conspicuous type either:

1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE MOST RECENT RESERVE STUDY REQUIRED BY SECTION 719.106, FLORIDA STATUTES, AND ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 719.1062, FLORIDA STATUTES, MORE THAN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF THIS CONTRACT; or

2. A clause which states: THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE MOST RECENT RESERVE STUDY REQUIRED BY SECTION 719.106, FLORIDA STATUTES, AND ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 719.1062, FLORIDA STATUTES. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE BUYER RECEIVES THE MOST RECENT RESERVE STUDY REQUIRED BY SECTION 719.106, FLORIDA STATUTES, AND ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 719.1062, FLORIDA STATUTES. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

A contract that does not conform to the requirements of this paragraph is voidable at the option of the purchaser prior to closing.

Section 20. Subsection (28) is added to section 719.504,

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Florida Statutes, to read:

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

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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
2100 maintenance, but the association has voted to waive reserves or
2101 to use existing reserve funds for purposes other than purposes
2102 for which the reserves were intended, the prospectus or offering
2103 circular must also contain the following statement in
2104 conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN
2105 WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING
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 REGARDING THOSE ITEMS.

2110 (b) If the association is required to perform a reserve
2111 study under section 719.106(1)(j) and the budget of the
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
2117 conspicuous type: THE BOARD OF ADMINISTRATION FOR THIS

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ASSOCIATION HAS FAILED TO SATISFY THE ASSOCIATION'S RESERVE
FUNDING OBLIGATIONS UNDER SECTION 719.106(1)(j), 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
STUDY. FAILURE TO FUND RESERVES CONSISTENT WITH THE
ASSOCIATION'S RESERVE STUDY MAY RESULT IN UNANTICIPATED SPECIAL
ASSESSMENTS REGARDING THOSE ITEMS.

Section 21. Subsection (2) of section 558.002, Florida
Statutes, is amended to read:

558.002 Definitions.—As used in this chapter, the term:

(2) "Association" has the same meaning as in s. 718.103(3)
~~s. 718.103(2)~~, s. 719.103(3) ~~s. 719.103(2)~~, s. 720.301(9), or s.
723.075.

Section 22. Subsection (2) of section 718.121, Florida
Statutes, is amended to read:

718.121 Liens.—

(2) Labor performed on or materials furnished to a unit may
not be the basis for the filing of a lien under part I of
chapter 713, the Construction Lien Law, against the unit or
condominium parcel of any unit owner not expressly consenting to
or requesting the labor or materials. Labor performed on or
materials furnished for the installation of a natural gas fuel
station or an electric vehicle charging station under s.
718.113(9) ~~s. 718.113(8)~~ may not be the basis for filing a lien
under part I of chapter 713 against the association, but such a
lien may be filed against the unit owner. Labor performed on or
materials furnished to the common elements are not the basis for
a lien on the common elements, but if authorized by the

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association, the labor or materials are deemed to be performed or furnished with the express consent of each unit owner and may be the basis for the filing of a lien against all condominium parcels in the proportions for which the owners are liable for common expenses.

Section 23. Subsection (3) of section 718.706, Florida Statutes, is amended to read:

718.706 Specific provisions pertaining to offering of units by a bulk assignee or bulk buyer.—

(3) A bulk assignee, while in control of the board of administration of the association, may not authorize, on behalf of the association:

(a) The waiver of reserves or the reduction of funding of the reserves pursuant to s. 718.112(2)(f)2., unless approved by a majority of the voting interests not controlled by the developer, bulk assignee, and bulk buyer; or

(b) The use of reserve expenditures for other purposes pursuant to s. 718.112(2)(f)5. ~~s. 718.112(2)(f)3.~~, unless approved by a majority of the voting interests not controlled by the developer, bulk assignee, and bulk buyer.

Section 24. Paragraph (d) of subsection (2) of section 720.3085, Florida Statutes, is amended to read:

720.3085 Payment for assessments; lien claims.—

(2)

(d) An association, or its successor or assignee, that acquires title to a parcel through the foreclosure of its lien for assessments is not liable for any unpaid assessments, late fees, interest, or reasonable attorney's fees and costs that came due before the association's acquisition of title in favor

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of any other association, as defined in s. 718.103(3) ~~s.~~
~~718.103(2)~~ or s. 720.301(9), which holds a superior lien
interest on the parcel. This paragraph is intended to clarify
existing law.

Section 25. For the purpose of incorporating the amendment
made by this act to section 718.1255, Florida Statutes, in a
reference thereto, section 719.1255, Florida Statutes, is
reenacted to read:

719.1255 Alternative resolution of disputes.—The Division
of Florida Condominiums, Timeshares, and Mobile Homes of the
Department of Business and Professional Regulation shall provide
for alternative dispute resolution in accordance with s.
718.1255.

Section 26. This act shall take effect July 1, 2022.