

By Senator Bradley

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1                   A bill to be entitled  
2           An act relating to condominium and cooperative  
3           associations; amending s. 718.111, F.S.; revising the  
4           methods of delivery for a copy of the most recent  
5           association financial report to include electronic  
6           delivery via the Internet; requiring a board to use  
7           best efforts to make prudent investment decisions in  
8           fulfilling its duty to manage operating and reserve  
9           funds of the association; authorizing an association,  
10          including a multicondominium association, to invest  
11          reserve funds in specified financial institutions;  
12          providing restrictions; prohibiting any funds not  
13          identified as reserve funds from being used for  
14          investments; requiring a board to create an investment  
15          committee composed of a specified minimum number of  
16          board members; requiring the board to adopt rules;  
17          requiring that all meetings of the investment  
18          committee be recorded and made part of the official  
19          records of the association; requiring that the  
20          investment policy statement developed pursuant to  
21          certain provisions address specified issues; requiring  
22          the investment committee to recommend investment  
23          advisers to the board; requiring the board to select  
24          one of the recommended investment advisers to provide  
25          services to the association; requiring such advisers  
26          to be registered; prohibiting an investment adviser  
27          from being related to any board member, community  
28          management company reserve study provider, or unit  
29          owner; requiring investment advisers to comply with

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30 the prudent investor rule; requiring an adviser to act  
31 as a fiduciary to the association; requiring that the  
32 investment and fiduciary standards of this section  
33 take precedence over any conflicting law; requiring  
34 the investment committee to recommend a replacement  
35 adviser if the committee determines that an investment  
36 adviser is not meeting requirements; requiring the  
37 association to provide the investment adviser with  
38 specified financial information at least once each  
39 calendar year, or sooner if a substantial financial  
40 obligation of the association becomes known to the  
41 board; requiring the investment adviser to annually  
42 review such financial information and provide the  
43 association with a portfolio allocation model that is  
44 suitably structured and prudently designed to match  
45 projected annual reserve fund requirements and  
46 liability, assets, and liquidity requirements;  
47 requiring the investment adviser to prepare a funding  
48 projection for each reserve component, including any  
49 of the component's redundancies; requiring that a  
50 specified minimum timeframe of projected reserves in  
51 cash or cash equivalents be available to the  
52 association; authorizing a portfolio managed by an  
53 investment adviser to contain any type of investment  
54 necessary to meet the objectives in the investment  
55 policy statement; providing exceptions; requiring that  
56 any funds invested by the investment adviser be held  
57 by third-party custodial accounts that are subject to  
58 insurance coverage by the Securities Investor

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59 Protection Corporation in an amount equal to or  
60 greater than the invested amount; authorizing the  
61 investment adviser to withdraw investment fees,  
62 expenses, and commissions from invested funds;  
63 requiring the investment adviser to annually provide  
64 the association with a written certification of  
65 compliance of this section and provide the association  
66 with a list of stocks, securities, and other  
67 obligations; requiring the investment adviser to  
68 submit monthly, quarterly, and annual reports to the  
69 association prepared in accordance with established  
70 financial industry standards; requiring that any  
71 principal, earnings, or interest managed be available  
72 to the association at no cost within a specified  
73 timeframe after the association's written or  
74 electronic request; requiring that unallocated income  
75 earned on reserve fund investments be spent only on  
76 specified expenditures; reenacting and amending s.  
77 718.112, F.S.; authorizing a unit-owner-controlled  
78 association to obtain a line of credit in lieu of  
79 maintaining reserves for budgets adopted on or before  
80 a specified date upon a majority vote of the  
81 association; requiring that such line of credit be  
82 sufficient to meet the association's deferred  
83 maintenance obligations not funded in the  
84 association's reserve account for each budget;  
85 requiring that funding from the line of credit be  
86 immediately available for access by the board for a  
87 specified purpose; requiring that such lines of credit

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88 be included in the association's financial report;  
89 deleting a requirement that the majority of the  
90 members must approve of the board pausing  
91 contributions to the association's reserves for a  
92 specified purpose; authorizing the board to  
93 temporarily pause reserve fund contributions or reduce  
94 the amount of reserve funding for a specified purpose  
95 for a budget adopted on or before a specified date if  
96 the association has completed a milestone inspection  
97 within a specified timeframe and such inspection  
98 recommended certain repairs; requiring that such  
99 temporary pause or reduction be approved by a majority  
100 of the total voting interests of the association;  
101 providing applicability; requiring associations that  
102 have paused or reduced their reserve funding to have a  
103 structural integrity reserve study performed before  
104 the continuation of reserve contributions for  
105 specified purposes; providing that a vote of the  
106 members is not required for the board to change the  
107 accounting method for reserves to specified accounting  
108 methods; requiring specified design professionals or  
109 contractors who bid to perform a structural integrity  
110 reserve study to disclose in writing to the  
111 association their intent to bid on any services  
112 related to the maintenance, repair, or replacement  
113 that may be recommended by the structural integrity  
114 reserve study; prohibiting such professionals or  
115 contractors from having any interest in or being  
116 related to any person having any interest in the firm

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117 or entity providing the association's structural  
118 integrity reserve study unless such relationship is  
119 disclosed in writing; defining the term "relative";  
120 providing that a contract for services is voidable and  
121 terminates upon the association filing a written  
122 notice terminating such a contract if such  
123 professional or contractor fails to provide a written  
124 disclosure of such relationship with the firm  
125 conducting the structural integrity reserve study;  
126 providing that such professional or contractor may be  
127 subject to discipline for his or her failure to  
128 provide such written disclosure; requiring that a  
129 structural integrity reserve study include a  
130 recommendation for a reserve funding schedule based on  
131 specified criteria; authorizing the study to recommend  
132 other types of reserve funding schedules, provided  
133 each recommended schedule is sufficient to meet the  
134 association's maintenance needs; requiring that  
135 reserves not required for certain items be separately  
136 identified in the structural integrity reserve study  
137 as such; authorizing an association to delay a  
138 required structural integrity reserve study for a  
139 specified timeframe if it has completed a milestone  
140 inspection or similar inspection, for a specified  
141 purpose; requiring the Division of Florida  
142 Condominiums, Timeshares, and Mobile Homes to adopt  
143 rules for the form for the structural integrity  
144 reserve study in coordination with the Florida  
145 Building Commission; making technical changes;

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146 amending s. 718.503, F.S.; revising the disclosures  
147 that must be included in a contract for the sale and  
148 resale of a residential unit; amending s. 8 of chapter  
149 2024-244, Laws of Florida, as amended; revising the  
150 requirement of an association managing 25 or more  
151 units, rather than 150 or more units, to post digital  
152 copies of specified documents on its website or make  
153 such documents available through an application that  
154 can be downloaded on a mobile device; revising such  
155 documents to include the minutes of all meetings of  
156 the association, the board of administration, and the  
157 unit owners over the preceding 12 months; deleting  
158 obsolete language; amending s. 31 of chapter 2024-244  
159 Laws of Florida; revising applicability; amending s.  
160 719.104, F.S.; requiring a board to use best efforts  
161 to make prudent investment decisions in fulfilling its  
162 duty to manage operating and reserve funds of the  
163 association; authorizing an association to invest  
164 reserve funds in specified financial institutions;  
165 providing restrictions; prohibiting any funds not  
166 identified as reserve funds from being used for  
167 investments; requiring a board to create an investment  
168 committee composed of a specified minimum number of  
169 board members; requiring the board to adopt rules;  
170 requiring that all meetings of the investment  
171 committee be recorded and made part of the official  
172 records of the association; requiring that the  
173 investment policy statement developed pursuant to  
174 certain provisions address specified issues; requiring

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175 the investment committee to recommend investment  
176 advisers to the board; requiring the board to select  
177 one of the recommended investment advisers to provide  
178 services to the association; requiring such advisers  
179 to be registered; prohibiting an investment adviser  
180 from being related to any board member, community  
181 management company reserve study provider, or unit  
182 owner; requiring investment advisers to comply with  
183 the prudent investor rule; requiring an adviser to act  
184 as a fiduciary to the association; requiring that the  
185 investment and fiduciary standards of this section  
186 take precedence over any conflicting law; requiring  
187 the investment committee to recommend a replacement  
188 adviser if the committee determines that an investment  
189 adviser is not meeting requirements; requiring the  
190 association to provide the investment adviser with  
191 specified financial information at least once each  
192 calendar year, or sooner if a substantial financial  
193 obligation of the association becomes known to the  
194 board; requiring the investment adviser to annually  
195 review such financial information and provide the  
196 association with a portfolio allocation model that is  
197 suitably structured and prudently designed to match  
198 projected annual reserve fund requirements and  
199 liability, assets, and liquidity requirements;  
200 requiring the investment adviser to prepare a funding  
201 projection for each reserve component, including any  
202 of the component's redundancies; requiring that a  
203 minimum timeframe of projected reserves in cash or

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204 cash equivalents be available to the association;  
205 authorizing a portfolio managed by an investment  
206 adviser to contain any type of investment necessary to  
207 meet the objectives in the investment policy  
208 statement; providing exceptions; requiring that any  
209 funds invested by the investment adviser be held in  
210 third-party custodial accounts that are subject to  
211 insurance coverage by the Securities Investor  
212 Protection Corporation in an amount equal to or  
213 greater than the invested amount; authorizing the  
214 investment adviser to withdraw investment fees,  
215 expenses, and commissions from invested funds;  
216 requiring the investment adviser to annually provide  
217 the association with a written certification of  
218 compliance of this section and provide the association  
219 with a list of stocks, securities, and other  
220 obligations; requiring the investment adviser to  
221 submit monthly, quarterly, and annual reports to the  
222 association prepared in accordance with established  
223 financial industry standards; requiring that any  
224 principal, earnings, or interest managed be available  
225 to the association at no cost within a specified  
226 timeframe after the association's written or  
227 electronic request; requiring that unallocated income  
228 earned on reserve fund investments be spent only on  
229 specified expenditures; amending s. 719.106, F.S.;

230 authorizing the board to pause contributions to its  
231 reserves or reduce reserve funding if a local building  
232 official determines the entire condominium building is



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233 uninhabitable due to a natural emergency; authorizing  
234 any reserve account fund held by the association to be  
235 expended to make the condominium building and its  
236 structures habitable, pursuant to the board's  
237 determination; requiring the association to  
238 immediately resume contributing funds to its reserves  
239 once the local building official determines that the  
240 condominium building is habitable; authorizing a unit-  
241 owner-controlled association to obtain a line of  
242 credit in lieu of maintaining reserves for budgets  
243 adopted on or before a specified date upon a majority  
244 vote of the association; requiring that such line of  
245 credit be sufficient to meet the association's  
246 deferred maintenance obligations not funded in the  
247 association's reserve account for each budget;  
248 requiring that funding from the line of credit be  
249 immediately available for access by the board for a  
250 specified purpose; authorizing the board to  
251 temporarily pause reserve fund contributions or reduce  
252 the amount of reserve funding for a specified purpose  
253 for a budget adopted on or before a specified date if  
254 the association has completed a milestone inspection  
255 within a specified timeframe; requiring that such  
256 temporary pause or reduction be approved by a majority  
257 of the total voting interests of the association;  
258 providing applicability; requiring associations that  
259 have paused or reduced their reserve funding to have a  
260 structural integrity reserve study performed before  
261 the continuation of reserve contributions for

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262 specified purposes; providing that a vote of the  
263 members is not required for the board to change the  
264 accounting method for reserves to specified accounting  
265 methods; requiring specified design professionals or  
266 contractors who bid to perform a structural integrity  
267 reserve study to disclose in writing to the  
268 association their intent to bid on any services  
269 related to the maintenance, repair, or replacement  
270 that may be recommended by the structural integrity  
271 reserve study; prohibiting such professionals or  
272 contractors from having any interest in or being  
273 related to any person having any interest in the firm  
274 or entity providing the association's structural  
275 integrity reserve study unless such relationship is  
276 disclosed in writing; defining the term "relative";  
277 providing that a contract for services is voidable and  
278 terminates upon the association filing a written  
279 notice terminating such a contract if such  
280 professional or contractor fails to provide a written  
281 disclosure of such relationship with the firm  
282 conducting the structural integrity reserve study;  
283 providing that such professional or contractor may be  
284 subject to discipline for his or her failure to  
285 provide such written disclosure; requiring that a  
286 structural integrity reserve study include a  
287 recommendation for a reserve funding schedule based on  
288 specified criteria; authorizing the study to recommend  
289 other types of reserve funding schedules, provided  
290 each recommended schedule is sufficient to meet the

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291 association's maintenance needs; requiring that  
292 reserves not required for certain items be separately  
293 identified in the structural integrity reserve study  
294 as such; authorizing an association to delay a  
295 required structural integrity reserve study for a  
296 specified timeframe if it has completed a milestone  
297 inspection or similar inspection, for a specified  
298 purpose; requiring the division to adopt, by rule, the  
299 form for the structural integrity reserve study in  
300 coordination with the Florida Building Commission;  
301 amending s. 719.503, F.S.; revising the disclosures  
302 that must be included in a contract for the sale and  
303 resale of an interest in a cooperative; reenacting s.  
304 721.13(3)(e), F.S., relating to management, to  
305 incorporate the amendment made to s. 718.111, F.S., in  
306 a reference thereto; reenacting ss. 718.504(7)(a) and  
307 (21)(c), and 718.618(1)(d), F.S., relating to  
308 prospectus or offering circulars; and converter  
309 reserve accounts and warranties, respectively, to  
310 incorporate the amendment made to s. 718.112, F.S., in  
311 references thereto; reenacting s. 718.501(1)(a) and  
312 (v), F.S., relating to the authority, responsibility,  
313 and duties of the Division of Florida Condominiums,  
314 Timeshares, and Mobile Homes, to incorporate the  
315 amendments made to ss. 718.111 and 718.112, F.S., in  
316 references thereto; reenacting s. 718.706(1) and (3),  
317 F.S., relating to specific provisions pertaining to  
318 offering of units by bulk assignees or bulk buyers, to  
319 incorporate the amendments made to ss. 718.111,

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320 718.112, and 718.503, F.S., in references thereto;  
321 reenacting ss. 719.103(24), 719.501(1), and  
322 719.504(7) (a) and (20) (c), F.S., relating to  
323 definitions; powers and duties of the Division of  
324 Florida Condominiums, Timeshares, and Mobile Homes;  
325 and prospectus or offering circulars, respectively, to  
326 incorporate the amendment made to s. 719.106, F.S., in  
327 references thereto; providing an effective date.  
328

329 Be It Enacted by the Legislature of the State of Florida:  
330

331 Section 1. Subsection (13) of section 718.111, Florida  
332 Statutes, is amended, subsection (16) is added to that section,  
333 and paragraph (g) of subsection (12) of that section is  
334 reenacted, to read:

335 718.111 The association.—

336 (12) OFFICIAL RECORDS.—

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

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

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

346 (II) A website, application, or web portal operated by a  
347 third-party provider with whom the association owns, leases,  
348 rents, or otherwise obtains the right to operate a web page,

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349 subpage, web portal, collection of subpages or web portals, or  
350 an application which is dedicated to the association's  
351 activities and on which required notices, records, and documents  
352 may be posted or made available by the association.

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

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

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

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

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

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

375 d. The rules of the association.

376 e. A list of all executory contracts or documents to which  
377 the association is a party or under which the association or the

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378 unit owners have an obligation or responsibility and, after  
379 bidding for the related materials, equipment, or services has  
380 closed, a list of bids received by the association within the  
381 past year. Summaries of bids for materials, equipment, or  
382 services which exceed \$500 must be maintained on the website or  
383 application for 1 year. In lieu of summaries, complete copies of  
384 the bids may be posted.

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

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

390 h. The certification of each director required by s.  
391 718.112(2)(d)4.b.

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

397 j. Any contract or document regarding a conflict of  
398 interest or possible conflict of interest as provided in ss.  
399 468.4335, 468.436(2)(b)6., and 718.3027(3).

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

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407 document to be considered and voted on by the owners during the  
408 meeting or any document listed on the agenda at least 7 days  
409 before the meeting at which the document or the information  
410 within the document will be considered.

411 1. Notice of any board meeting, the agenda, and any other  
412 document required for the meeting as required by s.  
413 718.112(2)(c), which must be posted no later than the date  
414 required for notice under s. 718.112(2)(c).

415 m. The inspection reports described in ss. 553.899 and  
416 718.301(4)(p) and any other inspection report relating to a  
417 structural or life safety inspection of condominium property.

418 n. The association's most recent structural integrity  
419 reserve study, if applicable.

420 o. Copies of all building permits issued for ongoing or  
421 planned construction.

422 3. The association shall ensure that the information and  
423 records described in paragraph (c), which are not allowed to be  
424 accessible to unit owners, are not posted on the association's  
425 website or application. If protected information or information  
426 restricted from being accessible to unit owners is included in  
427 documents that are required to be posted on the association's  
428 website or application, the association shall ensure the  
429 information is redacted before posting the documents.

430 Notwithstanding the foregoing, the association or its agent is  
431 not liable for disclosing information that is protected or  
432 restricted under this paragraph unless such disclosure was made  
433 with a knowing or intentional disregard of the protected or  
434 restricted nature of such information.

435 4. The failure of the association to post information

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436 required under subparagraph 2. is not in and of itself  
437 sufficient to invalidate any action or decision of the  
438 association's board or its committees.

439 (13) FINANCIAL REPORTING.—Within 90 days after the end of  
440 the fiscal year, or annually on a date provided in the bylaws,  
441 the association shall prepare and complete, or contract for the  
442 preparation and completion of, a financial report for the  
443 preceding fiscal year. Within 21 days after the final financial  
444 report is completed by the association or received from the  
445 third party, but not later than 120 days after the end of the  
446 fiscal year or other date as provided in the bylaws, the  
447 association shall deliver to each unit owner by United States  
448 mail or personal delivery at the mailing address, property  
449 address, e-mail address, or facsimile number provided to fulfill  
450 the association's notice requirements, a copy of the most recent  
451 financial report, and a notice that a copy of the most recent  
452 financial report will be, as requested by the owner, mailed, or  
453 hand delivered, or electronically delivered via the Internet to  
454 the unit owner, without charge, within 5 business days after  
455 receipt of a written request from the unit owner. The division  
456 shall adopt rules setting forth uniform accounting principles  
457 and standards to be used by all associations and addressing the  
458 financial reporting requirements for multicondominium  
459 associations. The rules must include, but not be limited to,  
460 standards for presenting a summary of association reserves,  
461 including a good faith estimate disclosing the annual amount of  
462 reserve funds that would be necessary for the association to  
463 fully fund reserves for each reserve item based on the straight-  
464 line accounting method. This disclosure is not applicable to



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465 reserves funded via the pooling method. In adopting such rules,  
466 the division shall consider the number of members and annual  
467 revenues of an association. Financial reports shall be prepared  
468 as follows:

469 (a) An association that meets the criteria of this  
470 paragraph shall prepare a complete set of financial statements  
471 in accordance with generally accepted accounting principles. The  
472 financial statements must be based upon the association's total  
473 annual revenues, as follows:

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

477 2. An association with total annual revenues of at least  
478 \$300,000, but less than \$500,000, shall prepare reviewed  
479 financial statements.

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

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

485 2. A report of cash receipts and disbursements must  
486 disclose the amount of receipts by accounts and receipt  
487 classifications and the amount of expenses by accounts and  
488 expense classifications, including, but not limited to, the  
489 following, as applicable: costs for security, professional and  
490 management fees and expenses, taxes, costs for recreation  
491 facilities, expenses for refuse collection and utility services,  
492 expenses for lawn care, costs for building maintenance and  
493 repair, insurance costs, administration and salary expenses, and

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494 reserves accumulated and expended for capital expenditures,  
495 deferred maintenance, and any other category for which the  
496 association maintains reserves.

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

499 1. Compiled, reviewed, or audited financial statements, if  
500 the association is required to prepare a report of cash receipts  
501 and expenditures;

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

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

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

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

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

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

518

519 Such meeting and approval must occur before the end of the  
520 fiscal year and is effective only for the fiscal year in which  
521 the vote is taken. An association may not prepare a financial  
522 report pursuant to this paragraph for consecutive fiscal years.

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523 If the developer has not turned over control of the association,  
524 all unit owners, including the developer, may vote on issues  
525 related to the preparation of the association's financial  
526 reports, from the date of incorporation of the association  
527 through the end of the second fiscal year after the fiscal year  
528 in which the certificate of a surveyor and mapper is recorded  
529 pursuant to s. 718.104(4)(e) or an instrument that transfers  
530 title to a unit in the condominium which is not accompanied by a  
531 recorded assignment of developer rights in favor of the grantee  
532 of such unit is recorded, whichever occurs first. Thereafter,  
533 all unit owners except the developer may vote on such issues  
534 until control is turned over to the association by the  
535 developer. Any audit or review prepared under this section shall  
536 be paid for by the developer if done before turnover of control  
537 of the association.

538 (e) A unit owner may provide written notice to the division  
539 of the association's failure to mail or hand deliver him or her  
540 a copy of the most recent financial report within 5 business  
541 days after he or she submitted a written request to the  
542 association for a copy of such report. If the division  
543 determines that the association failed to mail or hand deliver a  
544 copy of the most recent financial report to the unit owner, the  
545 division shall provide written notice to the association that  
546 the association must mail or hand deliver a copy of the most  
547 recent financial report to the unit owner and the division  
548 within 5 business days after it receives such notice from the  
549 division. An association that fails to comply with the  
550 division's request may not waive the financial reporting  
551 requirement provided in paragraph (d) for the fiscal year in

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552 which the unit owner's request was made and the following fiscal  
553 year. A financial report received by the division pursuant to  
554 this paragraph shall be maintained, and the division shall  
555 provide a copy of such report to an association member upon his  
556 or her request.

557 (16) INVESTMENT OF ASSOCIATION FUNDS.—

558 (a) A board shall, in fulfilling its duty to manage  
559 operating and reserve funds of an association, use best efforts  
560 to make prudent investment decisions that carefully consider  
561 risk and return in an effort to maximize returns on invested  
562 funds.

563 (b) An association, including a multicondominium  
564 association, may invest reserve funds in one or any combination  
565 of depository accounts at a community bank, savings bank,  
566 commercial bank, savings and loan association, or credit union  
567 if the respective account balance at any institution does not  
568 exceed the amount of deposit insurance per account provided by  
569 any agency of the Federal Government or as otherwise available.  
570 Notwithstanding any declaration, only funds identified as  
571 reserve funds may be invested pursuant to this subsection.

572 (c) The board shall create an investment committee composed  
573 of at least two board members and two-unit unit owners who are  
574 not board members. The board shall also adopt rules for invested  
575 funds, including, but not limited to, rules requiring periodic  
576 reviews of any investment manager's performance, the development  
577 of an investment policy statement, and that all meetings of the  
578 investment committee be recorded and made part of the official  
579 records of the association. The investment policy statement  
580 developed pursuant to this paragraph must, at a minimum, address

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581 risk, liquidity, and benchmark measurements; authorized classes  
582 of investments; authorized investment mixes; limitations on  
583 authority relating to investment transactions; requirements for  
584 projected reserve expenditures within, at minimum, the next 24  
585 months to be held in cash or cash equivalents; projected  
586 expenditures relating to a mandatory structural inspection  
587 performed pursuant to s. 553.899; and protocols for proxy  
588 response.

589 (d) The investment committee shall recommend investment  
590 advisers to the board, and the board shall select one of the  
591 recommended investment advisers to provide services to the  
592 association. Such investment advisers must be registered or have  
593 notice filed under s. 517.12. The selected investment adviser  
594 and any representative or association of the investment adviser  
595 may not be related by affinity or consanguinity to, or under  
596 common ownership with, any board member, community management  
597 company, reserve study provider, or unit owner. The investment  
598 adviser shall comply with the prudent investor rule in s.  
599 518.11. The investment adviser shall act as a fiduciary to the  
600 association in compliance with the standards set forth in the  
601 Employee Retirement Income Security Act of 1974 at 29 U.S.C. s.  
602 1104(a)(1)(A)-(C). In case of conflict with other laws  
603 authorizing investments, the investment and fiduciary standards  
604 set forth in this subsection must prevail. If at any time the  
605 investment committee determines that an investment adviser does  
606 not meet the requirements of this section, the investment  
607 committee must recommend a replacement investment adviser to the  
608 board.

609 (e) At least once each calendar year, or sooner if a

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610 substantial financial obligation of the association becomes  
611 known to the board, the association must provide the investment  
612 adviser with the association's investment policy statement, the  
613 most recent reserve study report, the association's structural  
614 integrity report, and the financial reports prepared pursuant to  
615 subsection (13). If there is no recent reserve study report, the  
616 association must provide the investment adviser with a good  
617 faith estimate disclosing the annual amount of reserve funds  
618 necessary for the association to fund reserves fully for the  
619 life of each reserve component and each component's  
620 redundancies. The investment adviser shall annually review these  
621 documents and provide the association with a portfolio  
622 allocation model that is suitably structured and prudently  
623 designed to match projected annual reserve fund requirements and  
624 liability, assets, and liquidity requirements. The investment  
625 adviser shall prepare a funding projection for each reserve  
626 component, including any of the component's redundancies. The  
627 association must have available at all times a minimum of 24  
628 months of projected reserves in cash or cash equivalents.

629 (f) Portfolios managed by the investment adviser may  
630 contain any type of investment necessary to meet the objectives  
631 in the investment policy statement; however, portfolios may not  
632 contain stocks, securities, or other obligations that the State  
633 Board of Administration is prohibited from investing in under s.  
634 215.471, s. 215.4725, or s. 215.473 or that state agencies are  
635 prohibited from investing in under s. 215.472, as determined by  
636 the investment adviser. Any funds invested by the investment  
637 adviser must be held in third-party custodial accounts that are  
638 subject to insurance coverage by the Securities Investor

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639 Protection Corporation in an amount equal to or greater than the  
640 invested amount. The investment adviser may withdraw investment  
641 fees, expenses, and commissions from invested funds.

642 (g) The investment adviser shall:

643 1. Annually provide the association with a written  
644 certification of compliance with this section and a list of  
645 stocks, securities, and other obligations that are prohibited  
646 from being in association portfolios under paragraph (f); and

647 2. Submit monthly, quarterly, and annual reports to the  
648 association which are prepared in accordance with established  
649 financial industry standards and in accordance with chapter 517.

650 (h) Any principal, earnings, or interest managed under this  
651 subsection must be available at no cost or charge to the  
652 association within 15 business days after delivery of the  
653 association's written or electronic request.

654 (i) Unallocated income earned on reserve fund investments  
655 must be spent only on capital expenditures, planned maintenance,  
656 structural repairs, or other items for which the reserve  
657 accounts have been established. Any surplus of funds which  
658 exceeds the amount required to maintain reasonably funded  
659 reserves must be managed pursuant to s. 718.115.

660 Section 2. Paragraphs (f) and (g) of subsection (2) of  
661 section 718.112, Florida Statutes, are amended, and paragraph  
662 (b) of that subsection is reenacted, to read:

663 718.112 Bylaws.—

664 (2) REQUIRED PROVISIONS.—The bylaws shall provide for the  
665 following and, if they do not do so, shall be deemed to include  
666 the following:

667 (b) *Quorum; voting requirements; proxies.*—

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668 1. Unless a lower number is provided in the bylaws, the  
669 percentage of voting interests required to constitute a quorum  
670 at a meeting of the members is a majority of the voting  
671 interests. Unless otherwise provided in this chapter or in the  
672 declaration, articles of incorporation, or bylaws, and except as  
673 provided in subparagraph (d)4., decisions shall be made by a  
674 majority of the voting interests represented at a meeting at  
675 which a quorum is present.

676 2. Except as specifically otherwise provided herein, unit  
677 owners in a residential condominium may not vote by general  
678 proxy, but may vote by limited proxies substantially conforming  
679 to a limited proxy form adopted by the division. A voting  
680 interest or consent right allocated to a unit owned by the  
681 association may not be exercised or considered for any purpose,  
682 whether for a quorum, an election, or otherwise. Limited proxies  
683 and general proxies may be used to establish a quorum. Limited  
684 proxies shall be used for votes taken to waive or reduce  
685 reserves in accordance with subparagraph (f)2.; for votes taken  
686 to waive the financial reporting requirements of s. 718.111(13);  
687 for votes taken to amend the declaration pursuant to s. 718.110;  
688 for votes taken to amend the articles of incorporation or bylaws  
689 pursuant to this section; and for any other matter for which  
690 this chapter requires or permits a vote of the unit owners.  
691 Except as provided in paragraph (d), a proxy, limited or  
692 general, may not be used in the election of board members in a  
693 residential condominium. General proxies may be used for other  
694 matters for which limited proxies are not required, and may be  
695 used in voting for nonsubstantive changes to items for which a  
696 limited proxy is required and given. Notwithstanding this



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697 subparagraph, unit owners may vote in person at unit owner  
698 meetings. This subparagraph does not limit the use of general  
699 proxies or require the use of limited proxies for any agenda  
700 item or election at any meeting of a timeshare condominium  
701 association or a nonresidential condominium association.

702 3. A proxy given is effective only for the specific meeting  
703 for which originally given and any lawfully adjourned meetings  
704 thereof. A proxy is not valid longer than 90 days after the date  
705 of the first meeting for which it was given. Each proxy is  
706 revocable at any time at the pleasure of the unit owner  
707 executing it.

708 4. A member of the board of administration or a committee  
709 may submit in writing his or her agreement or disagreement with  
710 any action taken at a meeting that the member did not attend.  
711 This agreement or disagreement may not be used as a vote for or  
712 against the action taken or to create a quorum.

713 5. A board or committee member's participation in a meeting  
714 via telephone, real-time videoconferencing, or similar real-time  
715 electronic or video communication counts toward a quorum, and  
716 such member may vote as if physically present. A speaker must be  
717 used so that the conversation of such members may be heard by  
718 the board or committee members attending in person as well as by  
719 any unit owners present at a meeting.

720 (f) *Annual budget.*—

721 1. The proposed annual budget of estimated revenues and  
722 expenses must be detailed and must show the amounts budgeted by  
723 accounts and expense classifications, including, at a minimum,  
724 any applicable expenses listed in s. 718.504(21). The board  
725 shall adopt the annual budget at least 14 days before the start

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726 of the association's fiscal year. In the event that the board  
727 fails to timely adopt the annual budget a second time, it is  
728 deemed a minor violation and the prior year's budget shall  
729 continue in effect until a new budget is adopted. A  
730 multicondominium association must adopt a separate budget of  
731 common expenses for each condominium the association operates  
732 and must adopt a separate budget of common expenses for the  
733 association. In addition, if the association maintains limited  
734 common elements with the cost to be shared only by those  
735 entitled to use the limited common elements as provided for in  
736 s. 718.113(1), the budget or a schedule attached to it must show  
737 the amount budgeted for this maintenance. If, after turnover of  
738 control of the association to the unit owners, any of the  
739 expenses listed in s. 718.504(21) are not applicable, they do  
740 not need to be listed.

741 2.a. In addition to annual operating expenses, the budget  
742 must include reserve accounts for capital expenditures and  
743 deferred maintenance. These accounts must include, but are not  
744 limited to, roof replacement, building painting, and pavement  
745 resurfacing, regardless of the amount of deferred maintenance  
746 expense or replacement cost, and any other item that has a  
747 deferred maintenance expense or replacement cost that exceeds  
748 \$10,000. The amount to be reserved must be computed using a  
749 formula based upon estimated remaining useful life and estimated  
750 replacement cost or deferred maintenance expense of the reserve  
751 item. In a budget adopted by an association that is required to  
752 obtain a structural integrity reserve study, reserves must be  
753 maintained for the items identified in paragraph (g) for which  
754 the association is responsible pursuant to the declaration of

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755 condominium, and the reserve amount for such items must be based  
756 on the findings and recommendations of the association's most  
757 recent structural integrity reserve study. With respect to items  
758 for which an estimate of useful life is not readily  
759 ascertainable or with an estimated remaining useful life of  
760 greater than 25 years, an association is not required to reserve  
761 replacement costs for such items, but an association must  
762 reserve the amount of deferred maintenance expense, if any,  
763 which is recommended by the structural integrity reserve study  
764 for such items. The association may adjust replacement reserve  
765 assessments annually to take into account an inflation  
766 adjustment and any changes in estimates or extension of the  
767 useful life of a reserve item caused by deferred maintenance.

768 b. The members of a unit-owner-controlled association may  
769 determine, by a majority vote of the total voting interests of  
770 the association, to provide no reserves or less reserves than  
771 required by this subsection. For a budget adopted on or after  
772 December 31, 2024, the members of a unit-owner-controlled  
773 association that must obtain a structural integrity reserve  
774 study may not determine to provide no reserves or less reserves  
775 than required by this subsection for items listed in paragraph  
776 (g), except that members of an association operating a  
777 multicondominium may determine to provide no reserves or less  
778 reserves than required by this subsection if an alternative  
779 funding method has been approved by the division.

780 c. For a budget adopted on or before December 31, 2028, a  
781 unit-owner-controlled association that must have a structural  
782 reserve study may secure a line of credit in lieu of maintaining  
783 reserves for all or a portion of the reserves required under

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784 this paragraph upon a majority vote of the total voting  
785 interests of the association. The line of credit must be  
786 sufficient to meet the association's deferred maintenance  
787 obligation not funded in the association's reserve account for  
788 each budget. Funding from the line of credit must be immediately  
789 available for access by the board to fund required repair,  
790 maintenance, or replacement expenses without further approval by  
791 the members of the association. A line of credit secured under  
792 this sub-subparagraph must be included in the financial report  
793 required under s. 718.111(13).

794 d. If the local building official, as defined in s.  
795 468.603, determines that the entire condominium building is  
796 uninhabitable due to a natural emergency, as defined in s.  
797 252.34, the board, ~~upon the approval of a majority of its~~  
798 ~~members,~~ may pause the contribution to its reserves or reduce  
799 reserve funding until the local building official determines  
800 that the condominium building is habitable. Any reserve account  
801 funds held by the association may be expended, pursuant to the  
802 board's determination, to make the condominium building and its  
803 structures habitable. Upon the determination by the local  
804 building official that the condominium building is habitable,  
805 the association must immediately resume contributing funds to  
806 its reserves.

807 e. For a budget adopted on or before December 31, 2028, if  
808 the association has completed a milestone inspection pursuant to  
809 s. 553.899 within the previous 2 calendar years, the board, upon  
810 the approval of a majority of the total voting interests of the  
811 association, may temporarily pause reserve fund contributions or  
812 reduce the amount of reserve funding for the purpose of funding

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813 repairs recommended by the milestone inspection. This sub-  
814 subparagraph does not apply to a developer-controlled  
815 association and an association in which the non-developer unit  
816 owners have been in control for less than 1 year. An association  
817 that has paused reserve contributions under this subparagraph  
818 must have a structural integrity reserve study performed before  
819 the continuation of reserve contributions in order to determine  
820 the association's reserve funding needs and to recommend a  
821 reserve funding plan.

822 ~~f.b.~~ Before turnover of control of an association by a  
823 developer to unit owners other than a developer under s.  
824 718.301, the developer-controlled association may not vote to  
825 waive the reserves or reduce funding of the reserves. If a  
826 meeting of the unit owners has been called to determine whether  
827 to waive or reduce the funding of reserves and no such result is  
828 achieved or a quorum is not attained, the reserves included in  
829 the budget shall go into effect. After the turnover, the  
830 developer may vote its voting interest to waive or reduce the  
831 funding of reserves.

832 3. Reserve funds and any interest accruing thereon shall  
833 remain in the reserve account or accounts, and may be used only  
834 for authorized reserve expenditures unless their use for other  
835 purposes is approved in advance by a majority vote of all the  
836 total voting interests of the association. Before turnover of  
837 control of an association by a developer to unit owners other  
838 than the developer pursuant to s. 718.301, the developer-  
839 controlled association may not vote to use reserves for purposes  
840 other than those for which they were intended. For a budget  
841 adopted on or after December 31, 2024, members of a unit-owner-

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842 controlled association that must obtain a structural integrity  
843 reserve study may not vote to use reserve funds, or any interest  
844 accruing thereon, for any other purpose other than the  
845 replacement or deferred maintenance costs of the components  
846 listed in paragraph (g). A vote of the members is not required  
847 for the board to change the accounting method for reserves to a  
848 pooling accounting method or a straight-line accounting method.

849 4. The only voting interests that are eligible to vote on  
850 questions that involve waiving or reducing the funding of  
851 reserves, or using existing reserve funds for purposes other  
852 than purposes for which the reserves were intended, are the  
853 voting interests of the units subject to assessment to fund the  
854 reserves in question. Proxy questions relating to waiving or  
855 reducing the funding of reserves or using existing reserve funds  
856 for purposes other than purposes for which the reserves were  
857 intended must contain the following statement in capitalized,  
858 bold letters in a font size larger than any other used on the  
859 face of the proxy ballot: WAIVING OF RESERVES, IN WHOLE OR IN  
860 PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY  
861 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED  
862 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

863 (g) *Structural integrity reserve study.*—

864 1. A residential condominium association must have a  
865 structural integrity reserve study completed at least every 10  
866 years after the condominium's creation for each building on the  
867 condominium property that is three stories or higher in height,  
868 as determined by the Florida Building Code, which includes, at a  
869 minimum, a study of the following items as related to the  
870 structural integrity and safety of the building:

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- 871 a. Roof.
- 872 b. Structure, including load-bearing walls and other  
873 primary structural members and primary structural systems as  
874 those terms are defined in s. 627.706.
- 875 c. Fireproofing and fire protection systems.
- 876 d. Plumbing.
- 877 e. Electrical systems.
- 878 f. Waterproofing and exterior painting.
- 879 g. Windows and exterior doors.
- 880 h. Any other item that has a deferred maintenance expense  
881 or replacement cost that exceeds \$10,000 and the failure to  
882 replace or maintain such item negatively affects the items  
883 listed in sub-subparagraphs a.-g., as determined by the visual  
884 inspection portion of the structural integrity reserve study.
- 885 2. A structural integrity reserve study is based on a  
886 visual inspection of the condominium property.
- 887 3.a. A structural integrity reserve study may be performed  
888 by any person qualified to perform such study. However, the  
889 visual inspection portion of the structural integrity reserve  
890 study must be performed or verified by an engineer licensed  
891 under chapter 471, an architect licensed under chapter 481, or a  
892 person certified as a reserve specialist or professional reserve  
893 analyst by the Community Associations Institute or the  
894 Association of Professional Reserve Analysts.
- 895 b. Any design professional as defined in s. 558.002 or  
896 contractor licensed under chapter 489 who bids to perform a  
897 structural integrity reserve study must disclose in writing to  
898 the association his or her intent to bid on any services related  
899 to any maintenance, repair, or replacement that may be

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900 recommended by the structural integrity reserve study. Any  
901 design professional as defined in s. 558.002 or contractor  
902 licensed under chapter 489 who submits a bid to the association  
903 for performing any services recommended by the structural  
904 integrity reserve study may not have an interest, directly or  
905 indirectly, in the firm or entity providing the association's  
906 structural integrity reserve study or be a relative of any  
907 person having a direct or indirect interest in such firm, unless  
908 such relationship is disclosed to the association in writing. As  
909 used in this section, the term "relative" means a relative  
910 within the third degree of consanguinity by blood or marriage. A  
911 contract for services is voidable and terminates upon the  
912 association filing a written notice terminating the contract if  
913 the design professional or licensed contractor failed to provide  
914 the written disclosure of the interests or relationships  
915 required under this paragraph. A design professional or licensed  
916 contractor may be subject to discipline under the applicable  
917 practice act for his or her profession for failure to provide  
918 the written disclosure of the interests or relationships  
919 required under this paragraph.

920 4.a.3. At a minimum, a structural integrity reserve study  
921 must identify each item of the condominium property being  
922 visually inspected, state the estimated remaining useful life  
923 and the estimated replacement cost or deferred maintenance  
924 expense of each item of the condominium property being visually  
925 inspected, and provide a reserve funding plan or schedule with a  
926 recommended annual reserve amount that achieves the estimated  
927 replacement cost or deferred maintenance expense of each item of  
928 condominium property being visually inspected by the end of the



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929 estimated remaining useful life of the item. At a minimum, the  
930 structural integrity reserve study must include a recommendation  
931 for a reserve funding schedule based on a baseline funding plan  
932 that provides a reserve funding goal in which the expenditures  
933 for each budget year for deferred maintenance, repair, and  
934 replacement of reserve items are sufficient to maintain the  
935 reserve cash balance above zero. The study may recommend other  
936 types of reserve funding schedules, provided that each  
937 recommended schedule is sufficient to meet the association's  
938 maintenance obligation.

939 b. The structural integrity reserve study may recommend  
940 that reserves do not need to be maintained for any item for  
941 which an estimate of useful life and an estimate of replacement  
942 cost cannot be determined, or the study may recommend a deferred  
943 maintenance expense amount for such item. The structural  
944 integrity reserve study may recommend that reserves for  
945 replacement costs do not need to be maintained for any item with  
946 an estimated remaining useful life of greater than 25 years, but  
947 the study may recommend a deferred maintenance expense amount  
948 for such item. If the structural integrity reserve study  
949 recommends reserves for any item for which reserves are not  
950 required under this paragraph, the amount of the recommended  
951 reserves for such item must be separately identified in the  
952 structural integrity reserve study as an item for which reserves  
953 are not required under this paragraph.

954 5.4- This paragraph does not apply to buildings less than  
955 three stories in height; single-family, two-family, or three-  
956 family dwellings with three or fewer habitable stories above  
957 ground; any portion or component of a building that has not been

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958 submitted to the condominium form of ownership; or any portion  
959 or component of a building that is maintained by a party other  
960 than the association.

961 ~~6.5.~~ Before a developer turns over control of an  
962 association to unit owners other than the developer, the  
963 developer must have a turnover inspection report in compliance  
964 with s. 718.301(4)(p) and (q) for each building on the  
965 condominium property that is three stories or higher in height.

966 ~~7.6.~~ Associations existing on or before July 1, 2022, which  
967 are controlled by unit owners other than the developer, must  
968 have a structural integrity reserve study completed by December  
969 31, 2025 ~~2024~~, for each building on the condominium property  
970 that is three stories or higher in height. An association that  
971 is required to complete a milestone inspection in accordance  
972 with s. 553.899 on or before December 31, 2026, may complete the  
973 structural integrity reserve study simultaneously with the  
974 milestone inspection. In no event may the structural integrity  
975 reserve study be completed after December 31, 2026.

976 ~~8.7.~~ If the milestone inspection required by s. 553.899, or  
977 an inspection completed for a similar local requirement, was  
978 performed within the past 5 years and meets the requirements of  
979 this paragraph, such inspection may be used in place of the  
980 visual inspection portion of the structural integrity reserve  
981 study.

982 9. If the association completes a milestone inspection  
983 required by s. 553.899, or an inspection completed for a similar  
984 local requirement, the association may delay performance of a  
985 required structural integrity reserve study for no more than 2  
986 budget years to permit the association to focus its financial

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987 resources on the completing the repair and maintenance  
988 recommendations of the milestone inspection.

989 10.8. If the officers or directors of an association  
990 willfully and knowingly fail to complete a structural integrity  
991 reserve study pursuant to this paragraph, such failure is a  
992 breach of an officer's and director's fiduciary relationship to  
993 the unit owners under s. 718.111(1).

994 11.9. Within 45 days after receiving the structural  
995 integrity reserve study, the association must distribute a copy  
996 of the study to each unit owner or deliver to each unit owner a  
997 notice that the completed study is available for inspection and  
998 copying upon a written request. Distribution of a copy of the  
999 study or notice must be made by United States mail or personal  
1000 delivery to the mailing address, property address, or any other  
1001 address of the owner provided to fulfill the association's  
1002 notice requirements under this chapter, or by electronic  
1003 transmission to the e-mail address or facsimile number provided  
1004 to fulfill the association's notice requirements to unit owners  
1005 who previously consented to receive notice by electronic  
1006 transmission.

1007 12.10. Within 45 days after receiving the structural  
1008 integrity reserve study, the association must provide the  
1009 division with a statement indicating that the study was  
1010 completed and that the association provided or made available  
1011 such study to each unit owner in accordance with this section.  
1012 The statement must be provided to the division in the manner  
1013 established by the division using a form posted on the  
1014 division's website.

1015 13. The division shall adopt by rule the form for the

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1016 structural integrity reserve study in coordination with the  
1017 Florida Building Commission.

1018 Section 3. Paragraphs (d) and (e) of subsection (2) of  
1019 section 718.503, Florida Statutes, are amended, and paragraph  
1020 (d) of subsection (1) of that section is reenacted, to read:

1021 718.503 Developer disclosure prior to sale; nondeveloper  
1022 unit owner disclosure prior to sale; voidability.—

1023 (1) DEVELOPER DISCLOSURE.—

1024 (d) *Milestone inspection, turnover inspection report, or*  
1025 *structural integrity reserve study.*—If the association is  
1026 required to have completed a milestone inspection as described  
1027 in s. 553.899, a turnover inspection report for a turnover  
1028 inspection performed on or after July 1, 2023, or a structural  
1029 integrity reserve study, and the association has not completed  
1030 the milestone inspection, the turnover inspection report, or the  
1031 structural integrity reserve study, each contract entered into  
1032 after December 31, 2024, for the sale of a residential unit  
1033 shall contain in conspicuous type a statement indicating that  
1034 the association is required to have a milestone inspection, a  
1035 turnover inspection report, or a structural integrity reserve  
1036 study and has not completed such inspection, report, or study,  
1037 as appropriate. If the association is not required to have a  
1038 milestone inspection as described in s. 553.899 or a structural  
1039 integrity reserve study, each contract entered into after  
1040 December 31, 2024, for the sale of a residential unit shall  
1041 contain in conspicuous type a statement indicating that the  
1042 association is not required to have a milestone inspection or a  
1043 structural integrity reserve study, as appropriate. If the  
1044 association has completed a milestone inspection as described in

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1045 s. 553.899, a turnover inspection report for a turnover  
1046 inspection performed on or after July 1, 2023, or a structural  
1047 integrity reserve study, each contract entered into after  
1048 December 31, 2024, for the sale of a residential unit shall  
1049 contain in conspicuous type:

1050 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES  
1051 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE INSPECTOR-  
1052 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED  
1053 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF  
1054 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION  
1055 718.301(4)(p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A  
1056 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY  
1057 RESERVE STUDY DESCRIBED IN SECTIONS 718.103(26) AND  
1058 718.112(2)(g), FLORIDA STATUTES, IF APPLICABLE, MORE THAN 15  
1059 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO  
1060 EXECUTION OF THIS CONTRACT; and

1061 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY  
1062 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO  
1063 CANCEL WITHIN 15 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL  
1064 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE  
1065 BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE INSPECTOR-  
1066 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED  
1067 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF  
1068 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION  
1069 718.301(4)(p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A  
1070 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY  
1071 RESERVE STUDY DESCRIBED IN SECTIONS 718.103(26) AND  
1072 718.112(2)(g), FLORIDA STATUTES, IF APPLICABLE. ANY PURPORTED  
1073 WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER

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1074 MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15  
1075 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER  
1076 THE BUYER RECEIVES A CURRENT COPY OF THE INSPECTOR-PREPARED  
1077 SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED IN  
1078 SECTION 553.899, FLORIDA STATUTES; A COPY OF THE TURNOVER  
1079 INSPECTION REPORT DESCRIBED IN SECTION 718.301(4) (p) AND (q),  
1080 FLORIDA STATUTES; OR A COPY OF THE ASSOCIATION'S MOST RECENT  
1081 STRUCTURAL INTEGRITY RESERVE STUDY DESCRIBED IN SECTIONS  
1082 718.103(26) AND 718.112(2) (g), FLORIDA STATUTES, IF REQUESTED IN  
1083 WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT  
1084 CLOSING.

1085  
1086 A contract that does not conform to the requirements of this  
1087 paragraph is voidable at the option of the purchaser prior to  
1088 closing.

1089 (2) NONDEVELOPER DISCLOSURE.—

1090 (d) Each contract entered into after July 1, 1992, for the  
1091 resale of a residential unit must ~~shall~~ contain in conspicuous  
1092 type either:

1093 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES  
1094 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE DECLARATION  
1095 OF CONDOMINIUM, ARTICLES OF INCORPORATION OF THE ASSOCIATION,  
1096 BYLAWS AND RULES OF THE ASSOCIATION, A COPY OF THE MOST RECENT  
1097 ANNUAL FINANCIAL STATEMENT AND ANNUAL BUDGET, AND FREQUENTLY  
1098 ASKED QUESTIONS AND ANSWERS DOCUMENT MORE THAN 15 ~~3~~ DAYS,  
1099 EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO  
1100 EXECUTION OF THIS CONTRACT; or

1101 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY  
1102 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO

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1103 CANCEL WITHIN 15 ~~3~~ DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL  
1104 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE  
1105 BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE DECLARATION  
1106 OF CONDOMINIUM, ARTICLES OF INCORPORATION, BYLAWS AND RULES OF  
1107 THE ASSOCIATION, A COPY OF THE MOST RECENT ANNUAL FINANCIAL  
1108 STATEMENT AND ANNUAL BUDGET, AND FREQUENTLY ASKED QUESTIONS AND  
1109 ANSWERS DOCUMENT IF SO REQUESTED IN WRITING. ANY PURPORTED  
1110 WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER  
1111 MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15  
1112 ~~3~~ DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER  
1113 THE BUYER RECEIVES THE DECLARATION, ARTICLES OF INCORPORATION,  
1114 BYLAWS AND RULES OF THE ASSOCIATION, AND A COPY OF THE MOST  
1115 RECENT YEAR-END FINANCIAL STATEMENT AND ANNUAL BUDGET  
1116 ~~INFORMATION~~ AND FREQUENTLY ASKED QUESTIONS AND ANSWERS DOCUMENT  
1117 IF REQUESTED IN WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT  
1118 SHALL TERMINATE AT CLOSING.

1119

1120 A contract that does not conform to the requirements of this  
1121 paragraph is voidable at the option of the purchaser prior to  
1122 closing.

1123 (e) If the association is required to have completed a  
1124 milestone inspection as described in s. 553.899, a turnover  
1125 inspection report for a turnover inspection performed on or  
1126 after July 1, 2023, or a structural integrity reserve study, and  
1127 the association has not completed the milestone inspection, the  
1128 turnover inspection report, or the structural integrity reserve  
1129 study, each contract entered into after December 31, 2024, for  
1130 the sale of a residential unit shall contain in conspicuous type  
1131 a statement indicating that the association is required to have

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1132 a milestone inspection, a turnover inspection report, or a  
1133 structural integrity reserve study and has not completed such  
1134 inspection, report, or study, as appropriate. If the association  
1135 is not required to have a milestone inspection as described in  
1136 s. 553.899 or a structural integrity reserve study, each  
1137 contract entered into after December 31, 2024, for the sale of a  
1138 residential unit shall contain in conspicuous type a statement  
1139 indicating that the association is not required to have a  
1140 milestone inspection or a structural integrity reserve study, as  
1141 appropriate. If the association has completed a milestone  
1142 inspection as described in s. 553.899, a turnover inspection  
1143 report for a turnover inspection performed on or after July 1,  
1144 2023, or a structural integrity reserve study, each contract  
1145 entered into after December 31, 2024, for the resale of a  
1146 residential unit shall contain in conspicuous type:

1147 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES  
1148 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE INSPECTOR-  
1149 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED  
1150 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF  
1151 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION  
1152 718.301(4)(p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A  
1153 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY  
1154 RESERVE STUDY DESCRIBED IN SECTIONS 718.103(26) AND  
1155 718.112(2)(g), FLORIDA STATUTES, IF APPLICABLE, MORE THAN 15 ~~3~~  
1156 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO  
1157 EXECUTION OF THIS CONTRACT; and

1158 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY  
1159 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO  
1160 CANCEL WITHIN 15 ~~3~~ DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL



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1161 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE  
 1162 BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE INSPECTOR-  
 1163 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED  
 1164 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF  
 1165 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION  
 1166 718.301(4)(p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A  
 1167 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY  
 1168 RESERVE STUDY DESCRIBED IN SECTIONS 718.103(26) AND  
 1169 718.112(2)(g), FLORIDA STATUTES, IF APPLICABLE. ANY PURPORTED  
 1170 WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER  
 1171 MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15  
 1172 ~~3~~ DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER  
 1173 THE BUYER RECEIVES A CURRENT COPY OF THE INSPECTOR-PREPARED  
 1174 SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED IN  
 1175 SECTION 553.899, FLORIDA STATUTES; A COPY OF THE TURNOVER  
 1176 INSPECTION REPORT DESCRIBED IN SECTION 718.301(4)(p) AND (q),  
 1177 FLORIDA STATUTES; OR A COPY OF THE ASSOCIATION'S MOST RECENT  
 1178 STRUCTURAL INTEGRITY RESERVE STUDY DESCRIBED IN SECTIONS  
 1179 718.103(26) AND 718.112(2)(g), FLORIDA STATUTES, IF REQUESTED IN  
 1180 WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT  
 1181 CLOSING.

1182  
 1183 A contract that does not conform to the requirements of this  
 1184 paragraph is voidable at the option of the purchaser prior to  
 1185 closing.

1186 Section 4. Section 8 of chapter 2024-244, Laws of Florida,  
 1187 is amended to read:

1188 Section 8. Effective January 1, 2026, paragraph (g) of  
 1189 subsection (12) of section 718.111, Florida Statutes, as amended

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1190 by this act, is amended to read:

1191 718.111 The association.—

1192 (12) OFFICIAL RECORDS.—

1193 (g)1. ~~By January 1, 2019,~~ An association managing a  
1194 condominium with 25 ~~150~~ or more units which does not contain  
1195 timeshare units shall post digital copies of the documents  
1196 specified in subparagraph 2. on its website or make such  
1197 documents available through an application that can be  
1198 downloaded on a mobile device.

1199 a. The association's website or application must be:

1200 (I) An independent website, application, or web portal  
1201 wholly owned and operated by the association; or

1202 (II) A website, application, or web portal operated by a  
1203 third-party provider with whom the association owns, leases,  
1204 rents, or otherwise obtains the right to operate a web page,  
1205 subpage, web portal, collection of subpages or web portals, or  
1206 an application which is dedicated to the association's  
1207 activities and on which required notices, records, and documents  
1208 may be posted or made available by the association.

1209 b. The association's website or application must be  
1210 accessible through the Internet and must contain a subpage, web  
1211 portal, or other protected electronic location that is  
1212 inaccessible to the general public and accessible only to unit  
1213 owners and employees of the association.

1214 c. Upon a unit owner's written request, the association  
1215 must provide the unit owner with a username and password and  
1216 access to the protected sections of the association's website or  
1217 application which contain any notices, records, or documents  
1218 that must be electronically provided.

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1219 2. A current copy of the following documents must be posted  
1220 in digital format on the association's website or application:

1221 a. The recorded declaration of condominium of each  
1222 condominium operated by the association and each amendment to  
1223 each declaration.

1224 b. The recorded bylaws of the association and each  
1225 amendment to the bylaws.

1226 c. The articles of incorporation of the association, or  
1227 other documents creating the association, and each amendment to  
1228 the articles of incorporation or other documents. The copy  
1229 posted pursuant to this sub-subparagraph must be a copy of the  
1230 articles of incorporation filed with the Department of State.

1231 d. The rules of the association.

1232 e. The minutes of all meetings of the association, the  
1233 board of administration, and the unit owners over the preceding  
1234 12 months.

1235 ~~f.e.~~ A list of all executory contracts or documents to  
1236 which the association is a party or under which the association  
1237 or the unit owners have an obligation or responsibility and,  
1238 after bidding for the related materials, equipment, or services  
1239 has closed, a list of bids received by the association within  
1240 the past year. Summaries of bids for materials, equipment, or  
1241 services which exceed \$500 must be maintained on the website or  
1242 application for 1 year. In lieu of summaries, complete copies of  
1243 the bids may be posted.

1244 ~~g.f.~~ The annual budget required by s. 718.112(2)(f) and any  
1245 proposed budget to be considered at the annual meeting.

1246 ~~h.g.~~ The financial report required by subsection (13) and  
1247 any monthly income or expense statement to be considered at a

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1248 meeting.

1249 ~~i.h.~~ The certification of each director required by s.  
1250 718.112(2)(d)4.b.

1251 ~~j.i.~~ All contracts or transactions between the association  
1252 and any director, officer, corporation, firm, or association  
1253 that is not an affiliated condominium association or any other  
1254 entity in which an association director is also a director or  
1255 officer and financially interested.

1256 ~~k.j.~~ Any contract or document regarding a conflict of  
1257 interest or possible conflict of interest as provided in ss.  
1258 468.4335, 468.436(2)(b)6., and 718.3027(3).

1259 ~~l.k.~~ The notice of any unit owner meeting and the agenda  
1260 for the meeting, as required by s. 718.112(2)(d)3., no later  
1261 than 14 days before the meeting. The notice must be posted in  
1262 plain view on the front page of the website or application, or  
1263 on a separate subpage of the website or application labeled  
1264 "Notices" which is conspicuously visible and linked from the  
1265 front page. The association must also post on its website or  
1266 application any document to be considered and voted on by the  
1267 owners during the meeting or any document listed on the agenda  
1268 at least 7 days before the meeting at which the document or the  
1269 information within the document will be considered.

1270 ~~m.l.~~ Notice of any board meeting, the agenda, and any other  
1271 document required for the meeting as required by s.  
1272 718.112(2)(c), which must be posted no later than the date  
1273 required for notice under s. 718.112(2)(c).

1274 ~~n.m.~~ The inspection reports described in ss. 553.899 and  
1275 718.301(4)(p) and any other inspection report relating to a  
1276 structural or life safety inspection of condominium property.

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1277 ~~o.n.~~ The association's most recent structural integrity  
1278 reserve study, if applicable.

1279 ~~p.e.~~ Copies of all building permits issued for ongoing or  
1280 planned construction.

1281 3. The association shall ensure that the information and  
1282 records described in paragraph (c), which are not allowed to be  
1283 accessible to unit owners, are not posted on the association's  
1284 website or application. If protected information or information  
1285 restricted from being accessible to unit owners is included in  
1286 documents that are required to be posted on the association's  
1287 website or application, the association shall ensure the  
1288 information is redacted before posting the documents.  
1289 Notwithstanding the foregoing, the association or its agent is  
1290 not liable for disclosing information that is protected or  
1291 restricted under this paragraph unless such disclosure was made  
1292 with a knowing or intentional disregard of the protected or  
1293 restricted nature of such information.

1294 4. The failure of the association to post information  
1295 required under subparagraph 2. is not in and of itself  
1296 sufficient to invalidate any action or decision of the  
1297 association's board or its committees.

1298 Section 5. Section 31 of chapter 2024-244, Laws of Florida,  
1299 is amended to read:

1300 Section 31. The amendments made to ss. 718.103(14) and  
1301 718.202(3) and 718.407(1), (2), and (6), Florida Statutes, as  
1302 created by this act, may not ~~are intended to clarify existing~~  
1303 ~~law and shall~~ apply retroactively and shall only apply to  
1304 condominiums for which declarations were initially recorded on  
1305 or after July 1, 2025. ~~However, Such amendments do not revive or~~

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1306 ~~reinstate any right or interest that has been fully and finally~~  
1307 ~~adjudicated as invalid before October 1, 2024.~~

1308 Section 6. Subsection (13) is added to section 719.104,  
1309 Florida Statutes, to read:

1310 719.104 Cooperatives; access to units; records; financial  
1311 reports; assessments; purchase of leases.—

1312 (13) INVESTMENT OF ASSOCIATION FUNDS.—

1313 (a) A board shall, in fulfilling its duty to manage  
1314 operating and reserve funds of an association, use best efforts  
1315 to make prudent investment decisions that carefully consider  
1316 risk and return in an effort to maximize returns on invested  
1317 funds.

1318 (b) An association may invest reserve funds in one or any  
1319 combination of depository accounts at a community bank, savings  
1320 bank, commercial bank, savings and loan association, or credit  
1321 union if the respective account balance at any institution does  
1322 not exceed the amount of deposit insurance per account provided  
1323 by any agency of the Federal Government or as otherwise  
1324 available. Notwithstanding any declaration, only funds  
1325 identified as reserve funds may be invested pursuant to this  
1326 subsection.

1327 (c) The board shall create an investment committee composed  
1328 of at least two board members and two-unit unit members who are  
1329 unit owners but not board members. The board shall also adopt  
1330 rules for invested funds, including, but not limited to, rules  
1331 requiring periodic reviews of any investment manager's  
1332 performance, the development of an investment policy statement,  
1333 and that all meetings of the investment committee be recorded  
1334 and made part of the official records of the association. The

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1335 investment policy statement developed pursuant to this paragraph  
1336 must, at a minimum, address risk, liquidity, and benchmark  
1337 measurements; authorized classes of investments; authorized  
1338 investment mixes; limitations on authority relating to  
1339 investment transactions; requirements for projected reserve  
1340 expenditures within, at minimum, the next 24 months to be held  
1341 in cash or cash equivalents; projected expenditures relating to  
1342 an inspection performed pursuant to s. 553.899; and protocols  
1343 for proxy response.

1344 (d) The investment committee shall recommend investment  
1345 advisers to the board, and the board shall select one of the  
1346 recommended investment advisers to provide services to the  
1347 association. Such investment advisers must be registered or have  
1348 notice filed under s. 517.12. The investment adviser and any  
1349 representative or association of the investment adviser may not  
1350 be related by affinity or consanguinity to, or under common  
1351 ownership with, any board member, community management company,  
1352 reserve study provider, or unit owner. The investment adviser  
1353 shall comply with the prudent investor rule in s. 518.11. The  
1354 investment adviser shall act as a fiduciary to the association  
1355 in compliance with the standards set forth in the Employee  
1356 Retirement Income Security Act of 1974 at 29 U.S.C. s.  
1357 1104(a)(1)(A)-(C). In case of conflict with other provisions of  
1358 law authorizing investments, the investment and fiduciary  
1359 standards set forth in this paragraph must prevail. If at any  
1360 time the investment committee determines that an investment  
1361 adviser does not meet the requirements of this section, the  
1362 investment committee must recommend a replacement investment  
1363 adviser to the board.

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1364       (e) At least once each calendar year, or sooner if a  
1365 substantial financial obligation of the association becomes  
1366 known to the board, the association must provide the investment  
1367 adviser with the association's investment policy statement, the  
1368 most recent reserve study report, the association's structural  
1369 integrity report, and the financial reports prepared pursuant to  
1370 subsection (13). If there is no recent reserve study report, the  
1371 association must provide the investment adviser with a good  
1372 faith estimate disclosing the annual amount of reserve funds  
1373 necessary for the association to fully fund reserves for the  
1374 life of each reserve component and each component's  
1375 redundancies. The investment adviser shall annually review these  
1376 documents and provide the association with a portfolio  
1377 allocation model that is suitably structured and prudently  
1378 designed to match projected annual reserve fund requirements and  
1379 liability, assets, and liquidity requirements. The investment  
1380 adviser shall prepare a funding projection for each reserve  
1381 component, including any of the component's redundancies. The  
1382 association shall have available at all times a minimum of 24  
1383 months of projected reserves in cash or cash equivalents.

1384       (f) Portfolios managed by the investment adviser may  
1385 contain any type of investment necessary to meet the objectives  
1386 in the investment policy statement; however, portfolios may not  
1387 contain stocks, securities, or other obligations that the State  
1388 Board of Administration is prohibited from investing in under s.  
1389 215.471, s. 215.4725, or s. 215.473 or that state agencies are  
1390 prohibited from investing in under s. 215.472, as determined by  
1391 the investment adviser. Any funds invested by the investment  
1392 adviser must be held in third-party custodial accounts that are



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1393 subject to insurance coverage by the Securities Investor  
1394 Protection Corporation in an amount equal to or greater than the  
1395 invested amount. The investment adviser may withdraw investment  
1396 fees, expenses, and commissions from invested funds.

1397 (g) The investment adviser shall:

1398 1. Annually provide the association with a written  
1399 certification of compliance with this section and a list of  
1400 stocks, securities, and other obligations that are prohibited  
1401 from being in association portfolios under paragraph (f); and

1402 2. Submit monthly, quarterly, and annual reports to the  
1403 association which are prepared in accordance with established  
1404 financial industry standards and in accordance with chapter 517.

1405 (h) Any principal, earnings, or interest managed under this  
1406 subsection must be available at no cost or charge to the  
1407 association within 15 business days after delivery of the  
1408 association's written or electronic request.

1409 (i) Unallocated income earned on reserve fund investments  
1410 may be spent only on capital expenditures, planned maintenance,  
1411 structural repairs, or other items for which the reserve  
1412 accounts have been established. Any surplus of funds which  
1413 exceeds the amount required to maintain reasonably funded  
1414 reserves must be managed pursuant to s. 718.115.

1415 Section 7. Paragraphs (j) and (k) of subsection (1) of  
1416 section 719.106, Florida Statutes, are amended to read:

1417 719.106 Bylaws; cooperative ownership.—

1418 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative  
1419 documents shall provide for the following, and if they do not,  
1420 they shall be deemed to include the following:

1421 (j) *Annual budget.*—

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1422 1. The proposed annual budget of common expenses must be  
1423 detailed and must show the amounts budgeted by accounts and  
1424 expense classifications, including, if applicable, but not  
1425 limited to, those expenses listed in s. 719.504(20). The board  
1426 of administration shall adopt the annual budget at least 14 days  
1427 before the start of the association's fiscal year. In the event  
1428 that the board fails to timely adopt the annual budget a second  
1429 time, it is deemed a minor violation and the prior year's budget  
1430 shall continue in effect until a new budget is adopted.

1431 2.a. In addition to annual operating expenses, the budget  
1432 must include reserve accounts for capital expenditures and  
1433 deferred maintenance. These accounts must include, but not be  
1434 limited to, roof replacement, building painting, and pavement  
1435 resurfacing, regardless of the amount of deferred maintenance  
1436 expense or replacement cost, and for any other items for which  
1437 the deferred maintenance expense or replacement cost exceeds  
1438 \$10,000. The amount to be reserved must be computed by means of  
1439 a formula which is based upon estimated remaining useful life  
1440 and estimated replacement cost or deferred maintenance expense  
1441 of the reserve item. In a budget adopted by an association that  
1442 is required to obtain a structural integrity reserve study,  
1443 reserves must be maintained for the items identified in  
1444 paragraph (k) for which the association is responsible pursuant  
1445 to the declaration, and the reserve amount for such items must  
1446 be based on the findings and recommendations of the  
1447 association's most recent structural integrity reserve study.  
1448 With respect to items for which an estimate of useful life is  
1449 not readily ascertainable or with an estimated remaining useful  
1450 life of greater than 25 years, an association is not required to

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1451 reserve replacement costs for such items, but an association  
1452 must reserve the amount of deferred maintenance expense, if any,  
1453 which is recommended by the structural integrity reserve study  
1454 for such items. The association may adjust replacement reserve  
1455 assessments annually to take into account an inflation  
1456 adjustment and any changes in estimates or extension of the  
1457 useful life of a reserve item caused by deferred maintenance.

1458 b. The members of a unit-owner-controlled association may  
1459 determine, by a majority vote of the total voting interests of  
1460 the association, for a fiscal year to provide no reserves or  
1461 reserves less adequate than required by this subsection. Before  
1462 turnover of control of an association by a developer to unit  
1463 owners other than a developer under s. 719.301, the developer-  
1464 controlled association may not vote to waive the reserves or  
1465 reduce funding of the reserves.

1466 c. For a budget adopted on or after December 31, 2024, a  
1467 unit-owner-controlled association that must obtain a structural  
1468 integrity reserve study may not determine to provide no reserves  
1469 or reserves less adequate than required by this paragraph for  
1470 items listed in paragraph (k). If a meeting of the unit owners  
1471 has been called to determine to provide no reserves, or reserves  
1472 less adequate than required, and such result is not attained or  
1473 a quorum is not attained, the reserves as included in the budget  
1474 shall go into effect.

1475 d. If the local building official, as defined in s.  
1476 468.603, determines that the entire condominium building is  
1477 uninhabitable due to a natural emergency, as defined in s.  
1478 252.34, the board may pause the contribution to its reserves or  
1479 reduce reserve funding until the local building official

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1480 determines that the condominium building is habitable. Any  
1481 reserve account funds held by the association may be expended,  
1482 pursuant to the board's determination, to make the condominium  
1483 building and its structures habitable. Upon the determination by  
1484 the local building official that the condominium building is  
1485 habitable, the association must immediately resume contributing  
1486 funds to its reserves.

1487 e. For a budget adopted on or before December 31, 2028, a  
1488 unit-owner-controlled association that must have a structural  
1489 reserve study may secure a line of credit in lieu of maintaining  
1490 reserves for all or a portion of the reserves required under  
1491 this paragraph and paragraph (f) upon a majority vote of the  
1492 total voting interests of the association. The line of credit  
1493 must be sufficient to meet the association's deferred  
1494 maintenance obligation not funded in the association's reserve  
1495 account for each budget. Funding from the line of credit must be  
1496 immediately available for access by the board to fund required  
1497 repair, maintenance, or replacement expenses without further  
1498 approval by the members of the association.

1499 f. For a budget adopted on or before December 31, 2028, if  
1500 the association has completed a milestone inspection pursuant to  
1501 s. 553.899 within the previous 2 calendar years, the board, upon  
1502 the approval of a majority of the total voting interests of the  
1503 association, may temporarily pause reserve fund contributions or  
1504 reduce the amount of reserve funding for the purpose of funding  
1505 repairs recommended by the milestone inspection. This  
1506 subparagraph does not apply to a developer-controlled  
1507 association and an association in which the non-developer unit  
1508 owners have been in control for less than 1 year. An association

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1509 that has paused reserve contributions under this sub-  
1510 subparagraph must have a structural integrity reserve study  
1511 performed before the continuation of reserve contributions in  
1512 order to determine the association's reserve funding needs and  
1513 to recommend a reserve funding plan.

1514         3. Reserve funds and any interest accruing thereon shall  
1515 remain in the reserve account or accounts, and shall be used  
1516 only for authorized reserve expenditures unless their use for  
1517 other purposes is approved in advance by a vote of the majority  
1518 of the total voting interests of the association. Before  
1519 turnover of control of an association by a developer to unit  
1520 owners other than the developer under s. 719.301, the developer  
1521 may not vote to use reserves for purposes other than that for  
1522 which they were intended. For a budget adopted on or after  
1523 December 31, 2024, members of a unit-owner-controlled  
1524 association that must obtain a structural integrity reserve  
1525 study may not vote to use reserve funds, or any interest  
1526 accruing thereon, for purposes other than the replacement or  
1527 deferred maintenance costs of the components listed in paragraph  
1528 (k). A vote of the members is not required for the board to  
1529 change the accounting method for reserves to a pooling  
1530 accounting method or a straight-line accounting method.

1531         (k) *Structural integrity reserve study.*—

1532         1. A residential cooperative association must have a  
1533 structural integrity reserve study completed at least every 10  
1534 years for each building on the cooperative property that is  
1535 three stories or higher in height, as determined by the Florida  
1536 Building Code, that includes, at a minimum, a study of the  
1537 following items as related to the structural integrity and

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1538 safety of the building:

1539       a. Roof.

1540       b. Structure, including load-bearing walls and other

1541 primary structural members and primary structural systems as

1542 those terms are defined in s. 627.706.

1543       c. Fireproofing and fire protection systems.

1544       d. Plumbing.

1545       e. Electrical systems.

1546       f. Waterproofing and exterior painting.

1547       g. Windows and exterior doors.

1548       h. Any other item that has a deferred maintenance expense

1549 or replacement cost that exceeds \$10,000 and the failure to

1550 replace or maintain such item negatively affects the items

1551 listed in sub-subparagraphs a.-g., as determined by the visual

1552 inspection portion of the structural integrity reserve study.

1553       2. A structural integrity reserve study is based on a

1554 visual inspection of the cooperative property.

1555       3.a. A structural integrity reserve study may be performed

1556 by any person qualified to perform such study. However, the

1557 visual inspection portion of the structural integrity reserve

1558 study must be performed or verified by an engineer licensed

1559 under chapter 471, an architect licensed under chapter 481, or a

1560 person certified as a reserve specialist or professional reserve

1561 analyst by the Community Associations Institute or the

1562 Association of Professional Reserve Analysts.

1563       b. Any design professional as defined in s. 558.002(7) or

1564 contractor licensed under chapter 489 who bids to perform a

1565 structural integrity reserve study must disclose in writing to

1566 the association his or her intent to bid on any services related

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1567 to any maintenance, repair, or replacement that may be  
1568 recommended by the structural integrity reserve study. Any  
1569 design professional as defined in s. 558.002(7) or contractor  
1570 licensed under chapter 489 who submits a bid to the association  
1571 for performing any services recommended by the structural  
1572 integrity reserve study may not have an interest, directly or  
1573 indirectly, in the firm or entity providing the association's  
1574 structural integrity reserve study or be a relative of any  
1575 person having a direct or indirect interest in such firm, unless  
1576 such relationship is disclosed to the association in writing. As  
1577 used in this section, the term "relative" means a relative  
1578 within the third degree of consanguinity by blood or marriage. A  
1579 contract for services is voidable and terminates upon the  
1580 association filing a written notice terminating the contract if  
1581 the design professional or licensed contractor failed to provide  
1582 the written disclosure of the relationship required under this  
1583 paragraph. A design professional or licensed contractor may be  
1584 subject to discipline under the applicable practice act for his  
1585 or her profession for failure to provide the written disclosure  
1586 of the relationship required under this subparagraph.

1587 4.a 3. At a minimum, a structural integrity reserve study  
1588 must identify each item of the cooperative property being  
1589 visually inspected, state the estimated remaining useful life  
1590 and the estimated replacement cost or deferred maintenance  
1591 expense of each item of the cooperative property being visually  
1592 inspected, and provide a reserve funding schedule with a  
1593 recommended annual reserve amount that achieves the estimated  
1594 replacement cost or deferred maintenance expense of each item of  
1595 cooperative property being visually inspected by the end of the

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1596 estimated remaining useful life of the item. The structural  
1597 integrity reserve study may recommend that reserves do not need  
1598 to be maintained for any item for which an estimate of useful  
1599 life and an estimate of replacement cost cannot be determined,  
1600 or the study may recommend a deferred maintenance expense amount  
1601 for such item. At a minimum, the structural integrity reserve  
1602 study must include a recommendation for a reserve funding  
1603 schedule based on a baseline funding plan that provides a  
1604 reserve funding goal in which the expenditures for each budget  
1605 year for deferred maintenance, repair, and replacement of  
1606 reserve items are sufficient to maintain the reserve cash  
1607 balance above zero. The study may recommend other types of  
1608 reserve funding schedules, provided that each recommended  
1609 schedule is sufficient to meet the association's maintenance  
1610 obligation.

1611 b. The structural integrity reserve study may recommend  
1612 that reserves for replacement costs do not need to be maintained  
1613 for any item with an estimated remaining useful life of greater  
1614 than 25 years, but the study may recommend a deferred  
1615 maintenance expense amount for such item. If the structural  
1616 integrity reserve study recommends reserves for any item for  
1617 which reserves are not required under this paragraph, the amount  
1618 of the recommended reserves for such item must be separately  
1619 identified in the structural integrity reserve study as an item  
1620 for which reserves are not required under this paragraph.

1621 ~~5.4.~~ This paragraph does not apply to buildings less than  
1622 three stories in height; single-family, two-family, or three-  
1623 family dwellings with three or fewer habitable stories above  
1624 ground; any portion or component of a building that has not been



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1625 submitted to the cooperative form of ownership; or any portion  
1626 or component of a building that is maintained by a party other  
1627 than the association.

1628 ~~6.5.~~ Before a developer turns over control of an  
1629 association to unit owners other than the developer, the  
1630 developer must have a turnover inspection report in compliance  
1631 with s. 719.301(4)(p) and (q) for each building on the  
1632 cooperative property that is three stories or higher in height.

1633 ~~7.6.~~ Associations existing on or before July 1, 2022, which  
1634 are controlled by unit owners other than the developer, must  
1635 have a structural integrity reserve study completed by December  
1636 31, 2024, for each building on the cooperative property that is  
1637 three stories or higher in height. An association that is  
1638 required to complete a milestone inspection on or before  
1639 December 31, 2026, in accordance with s. 553.899 may complete  
1640 the structural integrity reserve study simultaneously with the  
1641 milestone inspection. In no event may the structural integrity  
1642 reserve study be completed after December 31, 2026.

1643 ~~8.7.~~ If the milestone inspection required by s. 553.899, or  
1644 an inspection completed for a similar local requirement, was  
1645 performed within the past 5 years and meets the requirements of  
1646 this paragraph, such inspection may be used in place of the  
1647 visual inspection portion of the structural integrity reserve  
1648 study.

1649 9. If the association completes a milestone inspection  
1650 required by s. 553.899, or an inspection completed for a similar  
1651 local requirement, the association may delay performance of a  
1652 required structural integrity reserve study for no more than 2  
1653 budget years to permit the association to focus its financial

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1654 resources on the completing the repair and maintenance  
1655 recommendations of the milestone inspection.

1656 ~~10.8.~~ If the officers or directors of an association  
1657 willfully and knowingly fail to complete a structural integrity  
1658 reserve study pursuant to this paragraph, such failure is a  
1659 breach of an officer's and director's fiduciary relationship to  
1660 the unit owners under s. 719.104(9).

1661 ~~11.9.~~ Within 45 days after receiving the structural  
1662 integrity reserve study, the association must distribute a copy  
1663 of the study to each unit owner or deliver to each unit owner a  
1664 notice that the completed study is available for inspection and  
1665 copying upon a written request. Distribution of a copy of the  
1666 study or notice must be made by United States mail or personal  
1667 delivery at the mailing address, property address, or any other  
1668 address of the owner provided to fulfill the association's  
1669 notice requirements under this chapter, or by electronic  
1670 transmission to the e-mail address or facsimile number provided  
1671 to fulfill the association's notice requirements to unit owners  
1672 who previously consented to receive notice by electronic  
1673 transmission.

1674 ~~12.10.~~ Within 45 days after receiving the structural  
1675 integrity reserve study, the association must provide the  
1676 division with a statement indicating that the study was  
1677 completed and that the association provided or made available  
1678 such study to each unit owner in accordance with this section.  
1679 Such statement must be provided to the division in the manner  
1680 established by the division using a form posted on the  
1681 division's website.

1682 13. The division shall adopt by rule the form for the

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1683 structural integrity reserve study in coordination with the  
1684 Florida Building Commission.

1685 Section 8. Paragraphs (c) and (d) of subsection (2) of  
1686 section 719.503, Florida Statutes, are amended, and paragraph  
1687 (d) of subsection (1) of that section is reenacted, to read:

1688 719.503 Disclosure prior to sale.—

1689 (1) DEVELOPER DISCLOSURE.—

1690 (d) *Milestone inspection, turnover inspection report, or*  
1691 *structural integrity reserve study.*—If the association is  
1692 required to have completed a milestone inspection as described  
1693 in s. 553.899, a turnover inspection report for a turnover  
1694 inspection performed on or after July 1, 2023, or a structural  
1695 integrity reserve study, and the association has not completed  
1696 the milestone inspection, the turnover inspection report, or the  
1697 structural integrity reserve study, each contract entered into  
1698 after December 31, 2024, for the sale of a residential unit  
1699 shall contain in conspicuous type a statement indicating that  
1700 the association is required to have a milestone inspection, a  
1701 turnover inspection report, or a structural integrity reserve  
1702 study and has not completed such inspection, report, or study,  
1703 as appropriate. If the association is not required to have a  
1704 milestone inspection as described in s. 553.899 or a structural  
1705 integrity reserve study, each contract entered into after  
1706 December 31, 2024, for the sale of a residential unit shall  
1707 contain in conspicuous type a statement indicating that the  
1708 association is not required to have a milestone inspection or a  
1709 structural integrity reserve study, as appropriate. If the  
1710 association has completed a milestone inspection as described in  
1711 s. 553.899, a turnover inspection report for a turnover

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1712 inspection performed on or after July 1, 2023, or a structural  
1713 integrity reserve study, each contract entered into after  
1714 December 31, 2024, for the sale of a residential unit shall  
1715 contain in conspicuous type:

1716 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES  
1717 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE INSPECTOR-  
1718 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED  
1719 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF  
1720 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION  
1721 719.301(4)(p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A  
1722 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY  
1723 RESERVE STUDY DESCRIBED IN SECTIONS 719.103(24) AND  
1724 719.106(1)(k), FLORIDA STATUTES, IF APPLICABLE, MORE THAN 15  
1725 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO  
1726 EXECUTION OF THIS CONTRACT; and

1727 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY  
1728 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO  
1729 CANCEL WITHIN 15 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL  
1730 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE  
1731 BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE INSPECTOR-  
1732 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED  
1733 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF  
1734 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION  
1735 719.301(4)(p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A  
1736 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY  
1737 RESERVE STUDY DESCRIBED IN SECTIONS 719.103(24) AND  
1738 719.106(1)(k), FLORIDA STATUTES, IF APPLICABLE. ANY PURPORTED  
1739 WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER  
1740 MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15

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1741 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER  
1742 THE BUYER RECEIVES A CURRENT COPY OF THE INSPECTOR-PREPARED  
1743 SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED IN  
1744 SECTION 553.899, FLORIDA STATUTES; A COPY OF THE TURNOVER  
1745 INSPECTION REPORT DESCRIBED IN SECTION 719.301(4) (p) AND (q),  
1746 FLORIDA STATUTES; OR A COPY OF THE ASSOCIATION'S MOST RECENT  
1747 STRUCTURAL INTEGRITY RESERVE STUDY DESCRIBED IN SECTIONS  
1748 719.103(24) AND 719.106(1) (k), FLORIDA STATUTES, IF REQUESTED IN  
1749 WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT  
1750 CLOSING.

1751  
1752 A contract that does not conform to the requirements of this  
1753 paragraph is voidable at the option of the purchaser prior to  
1754 closing.

1755 (2) NONDEVELOPER DISCLOSURE.—

1756 (c) Each contract entered into after July 1, 1992, for the  
1757 resale of an interest in a cooperative shall contain in  
1758 conspicuous type either:

1759 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES  
1760 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE ARTICLES OF  
1761 INCORPORATION OF THE ASSOCIATION, BYLAWS, RULES OF THE  
1762 ASSOCIATION, AND THE QUESTION AND ANSWER SHEET MORE THAN 15 ~~3~~  
1763 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO  
1764 EXECUTION OF THIS CONTRACT; or

1765 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY  
1766 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO  
1767 CANCEL WITHIN 15 ~~3~~ DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL  
1768 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE  
1769 BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE ARTICLES OF

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1770 INCORPORATION, BYLAWS, AND RULES OF THE ASSOCIATION, AND  
1771 QUESTION AND ANSWER SHEET, IF SO REQUESTED IN WRITING. ANY  
1772 PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO  
1773 EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF  
1774 NOT MORE THAN 15 ~~3~~ DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL  
1775 HOLIDAYS, AFTER THE BUYER RECEIVES THE ARTICLES OF  
1776 INCORPORATION, BYLAWS, RULES, AND QUESTION AND ANSWER SHEET, IF  
1777 REQUESTED IN WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL  
1778 TERMINATE AT CLOSING.

1779  
1780 A contract that does not conform to the requirements of this  
1781 paragraph is voidable at the option of the purchaser prior to  
1782 closing.

1783 (d) If the association is required to have completed a  
1784 milestone inspection as described in s. 553.899, a turnover  
1785 inspection report for a turnover inspection performed on or  
1786 after July 1, 2023, or a structural integrity reserve study, and  
1787 the association has not completed the milestone inspection, the  
1788 turnover inspection report, or the structural integrity reserve  
1789 study, each contract entered into after December 31, 2024, for  
1790 the sale of a residential unit shall contain in conspicuous type  
1791 a statement indicating that the association is required to have  
1792 a milestone inspection, a turnover inspection report, or a  
1793 structural integrity reserve study and has not completed such  
1794 inspection, report, or study, as appropriate. If the association  
1795 is not required to have a milestone inspection as described in  
1796 s. 553.899 or a structural integrity reserve study, each  
1797 contract entered into after December 31, 2024, for the sale of a  
1798 residential unit shall contain in conspicuous type a statement

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1799 indicating that the association is not required to have a  
1800 milestone inspection or a structural integrity reserve study, as  
1801 appropriate. If the association has completed a milestone  
1802 inspection as described in s. 553.899, a turnover inspection  
1803 report for a turnover inspection performed on or after July 1,  
1804 2023, or a structural integrity reserve study, each contract  
1805 entered into after December 31, 2024, for the resale of a  
1806 residential unit shall contain in conspicuous type:

1807       1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES  
1808 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE INSPECTOR-  
1809 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED  
1810 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF  
1811 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION  
1812 719.301(4) (p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A  
1813 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY  
1814 RESERVE STUDY DESCRIBED IN SECTIONS 719.103(24) AND  
1815 719.106(1) (k), FLORIDA STATUTES, IF APPLICABLE, MORE THAN 15 ~~3~~  
1816 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO  
1817 EXECUTION OF THIS CONTRACT; and

1818       2. A clause which states: THIS AGREEMENT IS VOIDABLE BY  
1819 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO  
1820 CANCEL WITHIN 15 ~~3~~ DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL  
1821 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE  
1822 BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE INSPECTOR-  
1823 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED  
1824 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF  
1825 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION  
1826 719.301(4) (p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A  
1827 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY

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1828 RESERVE STUDY DESCRIBED IN SECTIONS 719.103(24) AND  
 1829 719.106(1)(k), FLORIDA STATUTES, IF APPLICABLE. ANY PURPORTED  
 1830 WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER  
 1831 MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15  
 1832 ~~3~~ DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER  
 1833 THE BUYER RECEIVES A CURRENT COPY OF THE INSPECTOR-PREPARED  
 1834 SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED IN  
 1835 SECTION 553.899, FLORIDA STATUTES; A COPY OF THE TURNOVER  
 1836 INSPECTION REPORT DESCRIBED IN SECTION 719.301(4)(p) AND (q),  
 1837 FLORIDA STATUTES; OR A COPY OF THE ASSOCIATION'S MOST RECENT  
 1838 STRUCTURAL INTEGRITY RESERVE STUDY DESCRIBED IN SECTIONS  
 1839 719.103(24) AND 719.106(1)(k), FLORIDA STATUTES, IF REQUESTED IN  
 1840 WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT  
 1841 CLOSING.

1842  
 1843 A contract that does not conform to the requirements of this  
 1844 paragraph is voidable at the option of the purchaser prior to  
 1845 closing.

1846 Section 9. For the purpose of incorporating the amendment  
 1847 made by this act to section 718.111, Florida Statutes, in a  
 1848 reference thereto, paragraph (e) of subsection (3) of section  
 1849 721.13, Florida Statutes, is reenacted to read:

1850 721.13 Management.—

1851 (3) The duties of the managing entity include, but are not  
 1852 limited to:

1853 (e) Arranging for an annual audit of the financial  
 1854 statements of the timeshare plan by a certified public  
 1855 accountant licensed by the Board of Accountancy of the  
 1856 Department of Business and Professional Regulation, in



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1857 accordance with generally accepted auditing standards as defined  
1858 by the rules of the Board of Accountancy of the Department of  
1859 Business and Professional Regulation. The financial statements  
1860 required by this section must be prepared on an accrual basis  
1861 using fund accounting, and must be presented in accordance with  
1862 generally accepted accounting principles. A copy of the audited  
1863 financial statements must be filed with the division for review  
1864 and forwarded to the board of directors and officers of the  
1865 owners' association, if one exists, no later than 5 calendar  
1866 months after the end of the timeshare plan's fiscal year. If no  
1867 owners' association exists, each purchaser must be notified, no  
1868 later than 5 months after the end of the timeshare plan's fiscal  
1869 year, that a copy of the audited financial statements is  
1870 available upon request to the managing entity. Notwithstanding  
1871 any requirement of s. 718.111(13) or s. 719.104(4), the audited  
1872 financial statements required by this section are the only  
1873 annual financial reporting requirements for timeshare  
1874 condominiums or timeshare cooperatives.

1875 Section 10. For the purpose of incorporating the amendment  
1876 made by this act to section 718.112, Florida Statutes, in  
1877 references thereto, paragraph (a) of subsection (7) and  
1878 paragraph (c) of subsection (21) of section 718.504, Florida  
1879 Statutes, are reenacted to read:

1880 718.504 Prospectus or offering circular.—Every developer of  
1881 a residential condominium which contains more than 20  
1882 residential units, or which is part of a group of residential  
1883 condominiums which will be served by property to be used in  
1884 common by unit owners of more than 20 residential units, shall  
1885 prepare a prospectus or offering circular and file it with the

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1886 Division of Florida Condominiums, Timeshares, and Mobile Homes  
1887 prior to entering into an enforceable contract of purchase and  
1888 sale of any unit or lease of a unit for more than 5 years and  
1889 shall furnish a copy of the prospectus or offering circular to  
1890 each buyer. In addition to the prospectus or offering circular,  
1891 each buyer shall be furnished a separate page entitled  
1892 "Frequently Asked Questions and Answers," which shall be in  
1893 accordance with a format approved by the division and a copy of  
1894 the financial information required by s. 718.111. This page  
1895 shall, in readable language, inform prospective purchasers  
1896 regarding their voting rights and unit use restrictions,  
1897 including restrictions on the leasing of a unit; shall indicate  
1898 whether and in what amount the unit owners or the association is  
1899 obligated to pay rent or land use fees for recreational or other  
1900 commonly used facilities; shall contain a statement identifying  
1901 that amount of assessment which, pursuant to the budget, would  
1902 be levied upon each unit type, exclusive of any special  
1903 assessments, and which shall further identify the basis upon  
1904 which assessments are levied, whether monthly, quarterly, or  
1905 otherwise; shall state and identify any court cases in which the  
1906 association is currently a party of record in which the  
1907 association may face liability in excess of \$100,000; shall  
1908 state whether the condominium is created within a portion of a  
1909 building or within a multiple parcel building; and which shall  
1910 further state whether membership in a recreational facilities  
1911 association is mandatory, and if so, shall identify the fees  
1912 currently charged per unit type. The division shall by rule  
1913 require such other disclosure as in its judgment will assist  
1914 prospective purchasers. The prospectus or offering circular may

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1915 include more than one condominium, although not all such units  
1916 are being offered for sale as of the date of the prospectus or  
1917 offering circular. The prospectus or offering circular must  
1918 contain the following information:

1919 (7) A description of the recreational and other facilities  
1920 that will be used in common with other condominiums, community  
1921 associations, or planned developments which require the payment  
1922 of the maintenance and expenses of such facilities, directly or  
1923 indirectly, by the unit owners. The description shall include,  
1924 but not be limited to, the following:

1925 (a) Each building and facility committed to be built and a  
1926 summary description of the structural integrity of each building  
1927 for which reserves are required pursuant to s. 718.112(2)(g).  
1928

1929 Descriptions shall include location, areas, capacities, numbers,  
1930 volumes, or sizes and may be stated as approximations or  
1931 minimums.

1932 (21) An estimated operating budget for the condominium and  
1933 the association, and a schedule of the unit owner's expenses  
1934 shall be attached as an exhibit and shall contain the following  
1935 information:

1936 (c) The estimated items of expenses of the condominium and  
1937 the association, except as excluded under paragraph (b),  
1938 including, but not limited to, the following items, which shall  
1939 be stated as an association expense collectible by assessments  
1940 or as unit owners' expenses payable to persons other than the  
1941 association:

- 1942 1. Expenses for the association and condominium:  
1943 a. Administration of the association.

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- 1944           b. Management fees.
- 1945           c. Maintenance.
- 1946           d. Rent for recreational and other commonly used
- 1947 facilities.
- 1948           e. Taxes upon association property.
- 1949           f. Taxes upon leased areas.
- 1950           g. Insurance.
- 1951           h. Security provisions.
- 1952           i. Other expenses.
- 1953           j. Operating capital.
- 1954           k. Reserves for all applicable items referenced in s.
- 1955 718.112(2)(g).
- 1956           1. Fees payable to the division.
- 1957           2. Expenses for a unit owner:
- 1958           a. Rent for the unit, if subject to a lease.
- 1959           b. Rent payable by the unit owner directly to the lessor or
- 1960 agent under any recreational lease or lease for the use of
- 1961 commonly used facilities, which use and payment is a mandatory
- 1962 condition of ownership and is not included in the common expense
- 1963 or assessments for common maintenance paid by the unit owners to
- 1964 the association.
- 1965           Section 11. For the purpose of incorporating the amendment
- 1966 made by this act to section 718.112, Florida Statutes, in
- 1967 references thereto, paragraph (d) of subsection (1) of section
- 1968 718.618, Florida Statutes, is reenacted to read:
- 1969           718.618 Converter reserve accounts; warranties.—
- 1970           (1) When existing improvements are converted to ownership
- 1971 as a residential condominium, the developer shall establish
- 1972 converter reserve accounts for capital expenditures and deferred

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1973 maintenance, or give warranties as provided by subsection (6),  
1974 or post a surety bond as provided by subsection (7). The  
1975 developer shall fund the converter reserve accounts in amounts  
1976 calculated as follows:

1977 (d) In addition to establishing the reserve accounts  
1978 specified above, the developer shall establish those other  
1979 reserve accounts required by s. 718.112(2)(f), and shall fund  
1980 those accounts in accordance with the formula provided therein.  
1981 The vote to waive or reduce the funding or reserves required by  
1982 s. 718.112(2)(f) does not affect or negate the obligations  
1983 arising under this section.

1984 Section 12. For the purpose of incorporating the amendment  
1985 made by this act to sections 718.111 and 718.112, Florida  
1986 Statutes, in references thereto, paragraphs (a) and (v) of  
1987 subsection (1) of section 718.501, Florida Statutes, are  
1988 reenacted to read:

1989 718.501 Authority, responsibility, and duties of Division  
1990 of Florida Condominiums, Timeshares, and Mobile Homes.—

1991 (1) The division may enforce and ensure compliance with  
1992 this chapter and rules relating to the development,  
1993 construction, sale, lease, ownership, operation, and management  
1994 of residential condominium units and complaints related to the  
1995 procedural completion of milestone inspections under s. 553.899.  
1996 In performing its duties, the division has complete jurisdiction  
1997 to investigate complaints and enforce compliance with respect to  
1998 associations that are still under developer control or the  
1999 control of a bulk assignee or bulk buyer pursuant to part VII of  
2000 this chapter and complaints against developers, bulk assignees,  
2001 or bulk buyers involving improper turnover or failure to

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2002 turnover, pursuant to s. 718.301. However, after turnover has  
2003 occurred, the division has jurisdiction to investigate  
2004 complaints related only to:

2005 (a)1. Procedural aspects and records relating to financial  
2006 issues, including annual financial reporting under s.  
2007 718.111(13); assessments for common expenses, fines, and  
2008 commingling of reserve and operating funds under s. 718.111(14);  
2009 use of debit cards for unintended purposes under s. 718.111(15);  
2010 the annual operating budget and the allocation of reserve funds  
2011 under s. 718.112(2)(f); financial records under s.  
2012 718.111(12)(a)11.; and any other record necessary to determine  
2013 the revenues and expenses of the association.

2014 2. Elections, including election and voting requirements  
2015 under s. 718.112(2)(b) and (d), recall of board members under s.  
2016 718.112(2)(1), electronic voting under s. 718.128, and elections  
2017 that occur during an emergency under s. 718.1265(1)(a).

2018 3. The maintenance of and unit owner access to association  
2019 records under s. 718.111(12).

2020 4. The procedural aspects of meetings, including unit owner  
2021 meetings, quorums, voting requirements, proxies, board of  
2022 administration meetings, and budget meetings under s.  
2023 718.112(2).

2024 5. The disclosure of conflicts of interest under ss.  
2025 718.111(1)(a) and 718.3027, including limitations contained in  
2026 s. 718.111(3)(f).

2027 6. The removal of a board director or officer under ss.  
2028 718.111(1)(a) and (15) and 718.112(2)(p) and (q).

2029 7. The procedural completion of structural integrity  
2030 reserve studies under s. 718.112(2)(g).

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2031 8. Any written inquiries by unit owners to the association  
2032 relating to such matters, including written inquiries under s.  
2033 718.112(2)(a)2.

2034 (v) The division shall submit to the Governor, the  
2035 President of the Senate, the Speaker of the House of  
2036 Representatives, and the chairs of the legislative  
2037 appropriations committees an annual report that includes, but  
2038 need not be limited to, the number of training programs provided  
2039 for condominium association board members and unit owners, the  
2040 number of complaints received by type, the number and percent of  
2041 complaints acknowledged in writing within 30 days and the number  
2042 and percent of investigations acted upon within 90 days in  
2043 accordance with paragraph (n), and the number of investigations  
2044 exceeding the 90-day requirement. The annual report must also  
2045 include an evaluation of the division's core business processes  
2046 and make recommendations for improvements, including statutory  
2047 changes. After December 31, 2024, the division must include a  
2048 list of the associations that have completed the structural  
2049 integrity reserve study required under s. 718.112(2)(g). The  
2050 report shall be submitted by September 30 following the end of  
2051 the fiscal year.

2052 Section 13. For the purpose of incorporating the amendment  
2053 made by this act to sections 718.111, 718.112, and 718.503,  
2054 Florida Statutes, in references thereto, subsections (1) and (3)  
2055 of section 718.706, Florida Statutes, are reenacted to read:

2056 718.706 Specific provisions pertaining to offering of units  
2057 by a bulk assignee or bulk buyer.—

2058 (1) Before offering more than seven units in a single  
2059 condominium for sale or for lease for a term exceeding 5 years,

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2060 a bulk assignee or a bulk buyer must file the following  
2061 documents with the division and provide such documents to a  
2062 prospective purchaser or tenant:

2063 (a) An updated prospectus or offering circular, or a  
2064 supplement to the prospectus or offering circular, filed by the  
2065 original developer prepared in accordance with s. 718.504, which  
2066 must include the form of contract for sale and for lease in  
2067 compliance with s. 718.503(2);

2068 (b) An updated Frequently Asked Questions and Answers  
2069 sheet;

2070 (c) The executed escrow agreement if required under s.  
2071 718.202; and

2072 (d) The financial information required by s. 718.111(13).  
2073 However, if a financial information report did not exist before  
2074 the acquisition of title by the bulk assignee or bulk buyer, and  
2075 if accounting records that permit preparation of the required  
2076 financial information report for that period cannot be obtained  
2077 despite good faith efforts by the bulk assignee or the bulk  
2078 buyer, the bulk assignee or bulk buyer is excused from the  
2079 requirement of this paragraph. However, the bulk assignee or  
2080 bulk buyer must include in the purchase contract the following  
2081 statement in conspicuous type:

2082  
2083 ALL OR A PORTION OF THE FINANCIAL INFORMATION REPORT  
2084 REQUIRED UNDER S. 718.111(13) FOR THE TIME PERIOD  
2085 BEFORE THE SELLER'S ACQUISITION OF THE UNIT IS NOT  
2086 AVAILABLE OR CANNOT BE OBTAINED DESPITE THE GOOD FAITH  
2087 EFFORTS OF THE SELLER.  
2088



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2089 (3) A bulk assignee, while in control of the board of  
2090 administration of the association, may not authorize, on behalf  
2091 of the association:

2092 (a) The waiver of reserves or the reduction of funding of  
2093 the reserves pursuant to s. 718.112(2)(f)2., unless approved by  
2094 a majority of the voting interests not controlled by the  
2095 developer, bulk assignee, and bulk buyer; or

2096 (b) The use of reserve expenditures for other purposes  
2097 pursuant to s. 718.112(2)(f)3., unless approved by a majority of  
2098 the voting interests not controlled by the developer, bulk  
2099 assignee, and bulk buyer.

2100 Section 14. For the purpose of incorporating the amendment  
2101 made by this act to section 719.106, Florida Statutes, in a  
2102 reference thereto, subsection (24) of section 719.103, Florida  
2103 Statutes, is reenacted to read:

2104 719.103 Definitions.—As used in this chapter:

2105 (24) "Structural integrity reserve study" means a study of  
2106 the reserve funds required for future major repairs and  
2107 replacement of the cooperative property performed as required  
2108 under s. 719.106(1)(k).

2109 Section 15. For the purpose of incorporating the amendment  
2110 made by this act to section 719.106, Florida Statutes, in a  
2111 reference thereto, subsection (1) of section 719.501, Florida  
2112 Statutes, is reenacted to read:

2113 719.501 Powers and duties of Division of Florida  
2114 Condominiums, Timeshares, and Mobile Homes.—

2115 (1) The Division of Florida Condominiums, Timeshares, and  
2116 Mobile Homes of the Department of Business and Professional  
2117 Regulation, referred to as the "division" in this part, in

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2118 addition to other powers and duties prescribed by chapter 718,  
2119 has the power to enforce and ensure compliance with this chapter  
2120 and adopted rules relating to the development, construction,  
2121 sale, lease, ownership, operation, and management of residential  
2122 cooperative units; complaints related to the procedural  
2123 completion of the structural integrity reserve studies under s.  
2124 719.106(1)(k); and complaints related to the procedural  
2125 completion of milestone inspections under s. 553.899. In  
2126 performing its duties, the division shall have the following  
2127 powers and duties:

2128 (a) The division may make necessary public or private  
2129 investigations within or outside this state to determine whether  
2130 any person has violated this chapter or any rule or order  
2131 hereunder, to aid in the enforcement of this chapter, or to aid  
2132 in the adoption of rules or forms hereunder.

2133 (b) The division may require or permit any person to file a  
2134 statement in writing, under oath or otherwise, as the division  
2135 determines, as to the facts and circumstances concerning a  
2136 matter to be investigated.

2137 (c) For the purpose of any investigation under this  
2138 chapter, the division director or any officer or employee  
2139 designated by the division director may administer oaths or  
2140 affirmations, subpoena witnesses and compel their attendance,  
2141 take evidence, and require the production of any matter which is  
2142 relevant to the investigation, including the existence,  
2143 description, nature, custody, condition, and location of any  
2144 books, documents, or other tangible things and the identity and  
2145 location of persons having knowledge of relevant facts or any  
2146 other matter reasonably calculated to lead to the discovery of

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2147 material evidence. Upon failure by a person to obey a subpoena  
2148 or to answer questions propounded by the investigating officer  
2149 and upon reasonable notice to all persons affected thereby, the  
2150 division may apply to the circuit court for an order compelling  
2151 compliance.

2152 (d) Notwithstanding any remedies available to unit owners  
2153 and associations, if the division has reasonable cause to  
2154 believe that a violation of any provision of this chapter or  
2155 related rule has occurred, the division may institute  
2156 enforcement proceedings in its own name against a developer,  
2157 association, officer, or member of the board, or its assignees  
2158 or agents, as follows:

2159 1. The division may permit a person whose conduct or  
2160 actions may be under investigation to waive formal proceedings  
2161 and enter into a consent proceeding whereby orders, rules, or  
2162 letters of censure or warning, whether formal or informal, may  
2163 be entered against the person.

2164 2. The division may issue an order requiring the developer,  
2165 association, officer, or member of the board, or its assignees  
2166 or agents, to cease and desist from the unlawful practice and  
2167 take such affirmative action as in the judgment of the division  
2168 will carry out the purposes of this chapter. Such affirmative  
2169 action may include, but is not limited to, an order requiring a  
2170 developer to pay moneys determined to be owed to a condominium  
2171 association.

2172 3. The division may bring an action in circuit court on  
2173 behalf of a class of unit owners, lessees, or purchasers for  
2174 declaratory relief, injunctive relief, or restitution.

2175 4. The division may impose a civil penalty against a

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2176 developer or association, or its assignees or agents, for any  
2177 violation of this chapter or related rule. The division may  
2178 impose a civil penalty individually against any officer or board  
2179 member who willfully and knowingly violates a provision of this  
2180 chapter, a rule adopted pursuant to this chapter, or a final  
2181 order of the division. The term "willfully and knowingly" means  
2182 that the division informed the officer or board member that his  
2183 or her action or intended action violates this chapter, a rule  
2184 adopted under this chapter, or a final order of the division,  
2185 and that the officer or board member refused to comply with the  
2186 requirements of this chapter, a rule adopted under this chapter,  
2187 or a final order of the division. The division, prior to  
2188 initiating formal agency action under chapter 120, shall afford  
2189 the officer or board member an opportunity to voluntarily comply  
2190 with this chapter, a rule adopted under this chapter, or a final  
2191 order of the division. An officer or board member who complies  
2192 within 10 days is not subject to a civil penalty. A penalty may  
2193 be imposed on the basis of each day of continuing violation, but  
2194 in no event shall the penalty for any offense exceed \$5,000. The  
2195 division shall adopt, by rule, penalty guidelines applicable to  
2196 possible violations or to categories of violations of this  
2197 chapter or rules adopted by the division. The guidelines must  
2198 specify a meaningful range of civil penalties for each such  
2199 violation of the statute and rules and must be based upon the  
2200 harm caused by the violation, upon the repetition of the  
2201 violation, and upon such other factors deemed relevant by the  
2202 division. For example, the division may consider whether the  
2203 violations were committed by a developer or owner-controlled  
2204 association, the size of the association, and other factors. The

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2205 guidelines must designate the possible mitigating or aggravating  
2206 circumstances that justify a departure from the range of  
2207 penalties provided by the rules. It is the legislative intent  
2208 that minor violations be distinguished from those which endanger  
2209 the health, safety, or welfare of the cooperative residents or  
2210 other persons and that such guidelines provide reasonable and  
2211 meaningful notice to the public of likely penalties that may be  
2212 imposed for proscribed conduct. This subsection does not limit  
2213 the ability of the division to informally dispose of  
2214 administrative actions or complaints by stipulation, agreed  
2215 settlement, or consent order. All amounts collected shall be  
2216 deposited with the Chief Financial Officer to the credit of the  
2217 Division of Florida Condominiums, Timeshares, and Mobile Homes  
2218 Trust Fund. If a developer fails to pay the civil penalty, the  
2219 division shall thereupon issue an order directing that such  
2220 developer cease and desist from further operation until such  
2221 time as the civil penalty is paid or may pursue enforcement of  
2222 the penalty in a court of competent jurisdiction. If an  
2223 association fails to pay the civil penalty, the division shall  
2224 thereupon pursue enforcement in a court of competent  
2225 jurisdiction, and the order imposing the civil penalty or the  
2226 cease and desist order shall not become effective until 20 days  
2227 after the date of such order. Any action commenced by the  
2228 division shall be brought in the county in which the division  
2229 has its executive offices or in the county where the violation  
2230 occurred.

2231 (e) The division may prepare and disseminate a prospectus  
2232 and other information to assist prospective owners, purchasers,  
2233 lessees, and developers of residential cooperatives in assessing

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2234 the rights, privileges, and duties pertaining thereto.

2235 (f) The division has authority to adopt rules pursuant to  
2236 ss. 120.536(1) and 120.54 to implement and enforce the  
2237 provisions of this chapter.

2238 (g) The division shall establish procedures for providing  
2239 notice to an association when the division is considering the  
2240 issuance of a declaratory statement with respect to the  
2241 cooperative documents governing such cooperative community.

2242 (h) The division shall furnish each association which pays  
2243 the fees required by paragraph (2) (a) a copy of this act,  
2244 subsequent changes to this act on an annual basis, an amended  
2245 version of this act as it becomes available from the Secretary  
2246 of State's office on a biennial basis, and the rules adopted  
2247 thereto on an annual basis.

2248 (i) The division shall annually provide each association  
2249 with a summary of declaratory statements and formal legal  
2250 opinions relating to the operations of cooperatives which were  
2251 rendered by the division during the previous year.

2252 (j) The division shall adopt uniform accounting principles,  
2253 policies, and standards to be used by all associations in the  
2254 preparation and presentation of all financial statements  
2255 required by this chapter. The principles, policies, and  
2256 standards shall take into consideration the size of the  
2257 association and the total revenue collected by the association.

2258 (k) The division shall provide training and educational  
2259 programs for cooperative association board members and unit  
2260 owners. The training may, in the division's discretion, include  
2261 web-based electronic media and live training and seminars in  
2262 various locations throughout the state. The division may review

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2263 and approve education and training programs for board members  
2264 and unit owners offered by providers and shall maintain a  
2265 current list of approved programs and providers and make such  
2266 list available to board members and unit owners in a reasonable  
2267 and cost-effective manner.

2268 (l) The division shall maintain a toll-free telephone  
2269 number accessible to cooperative unit owners.

2270 (m) When a complaint is made to the division, the division  
2271 shall conduct its inquiry with reasonable dispatch and with due  
2272 regard to the interests of the affected parties. Within 30 days  
2273 after receipt of a complaint, the division shall acknowledge the  
2274 complaint in writing and notify the complainant whether the  
2275 complaint is within the jurisdiction of the division and whether  
2276 additional information is needed by the division from the  
2277 complainant. The division shall conduct its investigation and  
2278 shall, within 90 days after receipt of the original complaint or  
2279 timely requested additional information, take action upon the  
2280 complaint. However, the failure to complete the investigation  
2281 within 90 days does not prevent the division from continuing the  
2282 investigation, accepting or considering evidence obtained or  
2283 received after 90 days, or taking administrative action if  
2284 reasonable cause exists to believe that a violation of this  
2285 chapter or a rule of the division has occurred. If an  
2286 investigation is not completed within the time limits  
2287 established in this paragraph, the division shall, on a monthly  
2288 basis, notify the complainant in writing of the status of the  
2289 investigation. When reporting its action to the complainant, the  
2290 division shall inform the complainant of any right to a hearing  
2291 pursuant to ss. 120.569 and 120.57.

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2292 (n) The division shall develop a program to certify both  
2293 volunteer and paid mediators to provide mediation of cooperative  
2294 disputes. The division shall provide, upon request, a list of  
2295 such mediators to any association, unit owner, or other  
2296 participant in arbitration proceedings under s. 718.1255  
2297 requesting a copy of the list. The division shall include on the  
2298 list of voluntary mediators only persons who have received at  
2299 least 20 hours of training in mediation techniques or have  
2300 mediated at least 20 disputes. In order to become initially  
2301 certified by the division, paid mediators must be certified by  
2302 the Supreme Court to mediate court cases in county or circuit  
2303 courts. However, the division may adopt, by rule, additional  
2304 factors for the certification of paid mediators, which factors  
2305 must be related to experience, education, or background. Any  
2306 person initially certified as a paid mediator by the division  
2307 must, in order to continue to be certified, comply with the  
2308 factors or requirements imposed by rules adopted by the  
2309 division.

2310 Section 16. For the purpose of incorporating the amendment  
2311 made by this act to section 719.106, Florida Statutes, in  
2312 references thereto, paragraph (a) of subsection (7) and  
2313 paragraph (c) of subsection (20) of section 719.504, Florida  
2314 Statutes, are reenacted to read:

2315 719.504 Prospectus or offering circular.—Every developer of  
2316 a residential cooperative which contains more than 20  
2317 residential units, or which is part of a group of residential  
2318 cooperatives which will be served by property to be used in  
2319 common by unit owners of more than 20 residential units, shall  
2320 prepare a prospectus or offering circular and file it with the



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2321 Division of Florida Condominiums, Timeshares, and Mobile Homes  
2322 prior to entering into an enforceable contract of purchase and  
2323 sale of any unit or lease of a unit for more than 5 years and  
2324 shall furnish a copy of the prospectus or offering circular to  
2325 each buyer. In addition to the prospectus or offering circular,  
2326 each buyer shall be furnished a separate page entitled  
2327 "Frequently Asked Questions and Answers," which must be in  
2328 accordance with a format approved by the division. This page  
2329 must, in readable language: inform prospective purchasers  
2330 regarding their voting rights and unit use restrictions,  
2331 including restrictions on the leasing of a unit; indicate  
2332 whether and in what amount the unit owners or the association is  
2333 obligated to pay rent or land use fees for recreational or other  
2334 commonly used facilities; contain a statement identifying that  
2335 amount of assessment which, pursuant to the budget, would be  
2336 levied upon each unit type, exclusive of any special  
2337 assessments, and which identifies the basis upon which  
2338 assessments are levied, whether monthly, quarterly, or  
2339 otherwise; state and identify any court cases in which the  
2340 association is currently a party of record in which the  
2341 association may face liability in excess of \$100,000; and state  
2342 whether membership in a recreational facilities association is  
2343 mandatory and, if so, identify the fees currently charged per  
2344 unit type. The division shall by rule require such other  
2345 disclosure as in its judgment will assist prospective  
2346 purchasers. The prospectus or offering circular may include more  
2347 than one cooperative, although not all such units are being  
2348 offered for sale as of the date of the prospectus or offering  
2349 circular. The prospectus or offering circular must contain the

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2350 following information:

2351 (7) A description of the recreational and other facilities  
2352 that will be used in common with other cooperatives, community  
2353 associations, or planned developments which require the payment  
2354 of the maintenance and expenses of such facilities, directly or  
2355 indirectly, by the unit owners. The description shall include,  
2356 but not be limited to, the following:

2357 (a) Each building and facility committed to be built and a  
2358 summary description of the structural integrity of each building  
2359 for which reserves are required pursuant to s. 719.106(1)(k).

2360  
2361 Descriptions shall include location, areas, capacities, numbers,  
2362 volumes, or sizes and may be stated as approximations or  
2363 minimums.

2364 (20) An estimated operating budget for the cooperative and  
2365 the association, and a schedule of the unit owner's expenses  
2366 shall be attached as an exhibit and shall contain the following  
2367 information:

2368 (c) The estimated items of expenses of the cooperative and  
2369 the association, except as excluded under paragraph (b),  
2370 including, but not limited to, the following items, which shall  
2371 be stated as an association expense collectible by assessments  
2372 or as unit owners' expenses payable to persons other than the  
2373 association:

2374 1. Expenses for the association and cooperative:

2375 a. Administration of the association.

2376 b. Management fees.

2377 c. Maintenance.

2378 d. Rent for recreational and other commonly used areas.

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- 2379 e. Taxes upon association property.
- 2380 f. Taxes upon leased areas.
- 2381 g. Insurance.
- 2382 h. Security provisions.
- 2383 i. Other expenses.
- 2384 j. Operating capital.
- 2385 k. Reserves for all applicable items referenced in s.
- 2386 719.106(1)(k).
- 2387 1. Fee payable to the division.
- 2388 2. Expenses for a unit owner:
- 2389 a. Rent for the unit, if subject to a lease.
- 2390 b. Rent payable by the unit owner directly to the lessor or
- 2391 agent under any recreational lease or lease for the use of
- 2392 commonly used areas, which use and payment are a mandatory
- 2393 condition of ownership and are not included in the common
- 2394 expense or assessments for common maintenance paid by the unit
- 2395 owners to the association.
- 2396 Section 17. This act shall take effect July 1, 2025.