

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

Representative(s) Kottkamp offered the following:

Amendment (with title amendment)

On page 17, lines 24-26,
remove from the bill: all of said lines

and insert in lieu thereof:

Section 7. Paragraph (f) of subsection (2) and
subsection (3) of section 718.112, Florida Statutes, are
amended to read:

718.112 Bylaws.--

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

(f) Annual budget.--

1. The proposed annual budget of common expenses shall
be detailed and shall show the amounts budgeted by accounts
and expense classifications, including, if applicable, but not
limited to, those expenses listed in s. 718.504(21). A
multicondominium association shall adopt a separate budget of
common expenses for each condominium the association operates

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1 and shall adopt a separate budget of common expenses for the
2 association. In addition, if the association maintains limited
3 common elements with the cost to be shared only by those
4 entitled to use the limited common elements as provided for in
5 s. 718.113(1), the budget or a schedule attached thereto shall
6 show amounts budgeted therefor. If, after turnover of control
7 of the association to the unit owners, any of the expenses
8 listed in s. 718.504(21) are not applicable, they need not be
9 listed.

10 2. In addition to annual operating expenses, the
11 budget may ~~shall~~ include reserve accounts for capital
12 expenditures and deferred maintenance. These accounts shall
13 include, but are not limited to, roof replacement, building
14 painting, and pavement resurfacing, regardless of the amount
15 of deferred maintenance expense or replacement cost, and for
16 any other item for which the deferred maintenance expense or
17 replacement cost exceeds \$10,000. The amount to be reserved
18 shall be computed by means of a formula which is based upon
19 estimated remaining useful life and estimated replacement cost
20 or deferred maintenance expense of each reserve item. The
21 association may adjust replacement reserve assessments
22 annually to take into account any changes in estimates or
23 extension of the useful life of a reserve item caused by
24 deferred maintenance. This subsection applies ~~does not apply~~
25 to an adopted budget in which the members of an association
26 have determined, by a majority vote at a duly called meeting
27 of the association, to provide the no reserves as described in
28 ~~or less reserves than required by~~ this subsection. However,
29 prior to turnover of control of an association by a developer
30 to unit owners other than a developer pursuant to s. 718.301,
31 the developer may vote to waive the reserves or reduce the

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1 funding of reserves for the first 2 fiscal years of the
2 association's operation, beginning with the fiscal year in
3 which the initial declaration is recorded, after which time
4 reserves may be required ~~waived or reduced~~ only upon the vote
5 of a majority of all nondeveloper voting interests voting in
6 person or by limited proxy at a duly called meeting of the
7 association. ~~If a meeting of the unit owners has been called~~
8 ~~to determine whether to waive or reduce the funding of~~
9 ~~reserves, and no such result is achieved or a quorum is not~~
10 ~~attained, the reserves as included in the budget shall go into~~
11 ~~effect.~~After the turnover, the developer may vote its voting
12 interest to provide for ~~waive or reduce~~ the funding of
13 reserves.

14 3. Reserve funds and any interest accruing thereon
15 shall remain in the reserve account or accounts, and shall be
16 used only for authorized reserve expenditures unless their use
17 for other purposes is approved in advance by a majority vote
18 at a duly called meeting of the association. Prior to turnover
19 of control of an association by a developer to unit owners
20 other than the developer pursuant to s. 718.301, the
21 developer-controlled association shall not vote to use
22 reserves for purposes other than that for which they were
23 intended without the approval of a majority of all
24 nondeveloper voting interests, voting in person or by limited
25 proxy at a duly called meeting of the association.

26 4. In a multicondominium association, the only voting
27 interests which are eligible to vote on questions that involve
28 waiving or reducing the funding of reserves, or using existing
29 reserve funds for purposes other than purposes for which the
30 reserves were intended, are the voting interests of the units
31 subject to assessment to fund the reserves in question.

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1 ===== T I T L E A M E N D M E N T =====
2 And the title is amended as follows:
3 On page 1, line 20, after the semicolon,
4
5 insert:
6 providing for reserves under certain
7 circumstances;
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