

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 66, between lines 9 and 10, of the bill

insert:

Section 68. Paragraph (f) of subsection (2) of section 718.112, Florida Statutes, is 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 and shall adopt a separate budget of common expenses for the association. In addition, if the association maintains limited

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

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

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

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

24 4. In a multicondominium association, the only voting
25 interests which are eligible to vote on questions that involve
26 waiving or reducing the funding of reserves, or using existing
27 reserve funds for purposes other than purposes for which the
28 reserves were intended, are the voting interests of the units
29 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 5, line 29,
4
5 after the semicolon insert:
6 amending s. 718.112, F.S.; revising language
7 with respect to condominium association bylaws;
8 revising language with respect to the annual
9 budget; providing for reserves under certain
10 circumstances;
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