

Amendment No. 3

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Commerce Committee
2 Representative Duggan offered the following:

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4 **Amendment (with title amendment)**

5 Between lines 1399 and 1400, insert:

6 Section 23. Paragraph (j) of subsection (1) of section
7 719.106, Florida Statutes, is amended to read:

8 719.106 Bylaws; cooperative ownership.—

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

12 (j) Annual budget.—

13 1. The proposed annual budget of common expenses shall be
14 detailed and shall show the amounts budgeted by accounts and
15 expense classifications, including, if applicable, but not
16 limited to, those expenses listed in s. 719.504(20). The board

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17 of administration shall adopt the annual budget at least 14 days
18 prior to the start of the association's fiscal year. In the
19 event that the board fails to timely adopt the annual budget a
20 second time, it shall be deemed a minor violation and the prior
21 year's budget shall continue in effect until a new budget is
22 adopted.

23 2. In addition to annual operating expenses, the budget
24 shall include reserve accounts for capital expenditures and
25 deferred maintenance. These accounts shall include, but not be
26 limited to, roof replacement, building painting, and pavement
27 resurfacing, regardless of the amount of deferred maintenance
28 expense or replacement cost, and for any other items for which
29 the deferred maintenance expense or replacement cost exceeds
30 \$10,000. The amount to be reserved shall be computed by means of
31 a formula which is based upon estimated remaining useful life
32 and estimated replacement cost or deferred maintenance expense
33 of each reserve item. The association may adjust replacement
34 reserve assessments annually to take into account any changes in
35 estimates or extension of the useful life of a reserve item
36 caused by deferred maintenance. This paragraph shall not apply
37 to any budget in which the members of an association have, at a
38 duly called meeting of the association, determined for a fiscal
39 year to provide no reserves or reserves less adequate than
40 required by this subsection. However, prior to turnover of
41 control of an association by a developer to unit owners other

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42 than a developer pursuant to s. 719.301, the developer may vote
43 to waive the reserves or reduce the funding of reserves for the
44 first 2 years of the operation of the association after which
45 time reserves may only be waived or reduced upon the vote of a
46 majority of all nondeveloper voting interests voting in person
47 or by limited proxy at a duly called meeting of the association.
48 If a meeting of the unit owners has been called to determine to
49 provide no reserves, or reserves less adequate than required,
50 and such result is not attained or a quorum is not attained, the
51 reserves as included in the budget shall go into effect.

52 3. Reserve funds and any interest accruing thereon shall
53 remain in the reserve account or accounts, and shall be used
54 only for authorized reserve expenditures unless their use for
55 other purposes is approved in advance by a vote of the majority
56 of the voting interests, voting in person or by limited proxy at
57 a duly called meeting of the association. Prior to turnover of
58 control of an association by a developer to unit owners other
59 than the developer under s. 719.301, the developer may not vote
60 to use reserves for purposes other than that for which they were
61 intended without the approval of a majority of all nondeveloper
62 voting interests, voting in person or by limited proxy at a duly
63 called meeting of the association.

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T I T L E A M E N D M E N T

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Remove line 102 and insert:
office of the condominium ombudsman; amending s. 719.106, F.S.;
requiring that an annual budget be proposed by the board of
administration before a specified time; amending ss.