



425248

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/15/2021	.	
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The Committee on Appropriations (Diaz) recommended the following:

Senate Amendment (with title amendment)

Delete lines 1394 - 1520
and insert:
any applicable expenses listed in s. 718.504(21). The board shall adopt the annual budget at least 14 days prior to the start of the association's fiscal year. In the event that the board fails to timely adopt the annual budget a second time, it shall be deemed a minor violation and the prior year's budget shall continue in effect until a new budget is adopted. A



11 multicondominium association shall adopt a separate budget of
12 common expenses for each condominium the association operates
13 and shall adopt a separate budget of common expenses for the
14 association. In addition, if the association maintains limited
15 common elements with the cost to be shared only by those
16 entitled to use the limited common elements as provided for in
17 s. 718.113(1), the budget or a schedule attached to it must show
18 the amount budgeted for this maintenance. If, after turnover of
19 control of the association to the unit owners, any of the
20 expenses listed in s. 718.504(21) are not applicable, they need
21 not be listed.

22 2.a. In addition to annual operating expenses, the budget
23 must include reserve accounts for capital expenditures and
24 deferred maintenance. These accounts must include, but are not
25 limited to, roof replacement, building painting, and pavement
26 resurfacing, regardless of the amount of deferred maintenance
27 expense or replacement cost, and any other item that has a
28 deferred maintenance expense or replacement cost that exceeds
29 \$10,000. The amount to be reserved must be computed using a
30 formula based upon estimated remaining useful life and estimated
31 replacement cost or deferred maintenance expense of each reserve
32 item. The association may adjust replacement reserve assessments
33 annually to take into account any changes in estimates or
34 extension of the useful life of a reserve item caused by
35 deferred maintenance. This subsection does not apply to an
36 adopted budget in which the members of an association have
37 determined, by a majority vote at a duly called meeting of the
38 association, to provide no reserves or less reserves than
39 required by this subsection.



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40 b. Before turnover of control of an association by a
41 developer to unit owners other than a developer pursuant to s.
42 718.301, the developer may vote the voting interests allocated
43 to its units to waive the reserves or reduce the funding of
44 reserves through the period expiring at the end of the second
45 fiscal year after the fiscal year in which the certificate of a
46 surveyor and mapper is recorded pursuant to s. 718.104(4)(e) or
47 an instrument that transfers title to a unit in the condominium
48 which is not accompanied by a recorded assignment of developer
49 rights in favor of the grantee of such unit is recorded,
50 whichever occurs first, after which time reserves may be waived
51 or reduced only upon the vote of a majority of all nondeveloper
52 voting interests voting in person or by limited proxy at a duly
53 called meeting of the association. If a meeting of the unit
54 owners has been called to determine whether to waive or reduce
55 the funding of reserves and no such result is achieved or a
56 quorum is not attained, the reserves included in the budget
57 shall go into effect. After the turnover, the developer may vote
58 its voting interest to waive or reduce the funding of reserves.

59 3. Reserve funds and any interest accruing thereon shall
60 remain in the reserve account or accounts, and may be used only
61 for authorized reserve expenditures unless their use for other
62 purposes is approved in advance by a majority vote at a duly
63 called meeting of the association. Before turnover of control of
64 an association by a developer to unit owners other than the
65 developer pursuant to s. 718.301, the developer-controlled
66 association may not vote to use reserves for purposes other than
67 those for which they were intended without the approval of a
68 majority of all nondeveloper voting interests, voting in person



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69 or by limited proxy at a duly called meeting of the association.

70 4. The only voting interests that are eligible to vote on
71 questions that involve waiving or reducing the funding of
72 reserves, or using existing reserve funds for purposes other
73 than purposes for which the reserves were intended, are the
74 voting interests of the units subject to assessment to fund the
75 reserves in question. Proxy questions relating to waiving or
76 reducing the funding of reserves or using existing reserve funds
77 for purposes other than purposes for which the reserves were
78 intended must contain the following statement in capitalized,
79 bold letters in a font size larger than any other used on the
80 face of the proxy ballot: **WAIVING OF RESERVES, IN WHOLE OR IN
81 PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY
82 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED
83 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.**

84 Section 23. Paragraph (m) of subsection (1) of section
85 718.501, Florida Statutes, is amended to read:

86 718.501 Authority, responsibility, and duties of Division
87 of Florida Condominiums, Timeshares, and Mobile Homes.—

88 (1) The division may enforce and ensure compliance with the
89 provisions of this chapter and rules relating to the
90 development, construction, sale, lease, ownership, operation,
91 and management of residential condominium units. In performing
92 its duties, the division has complete jurisdiction to
93 investigate complaints and enforce compliance with respect to
94 associations that are still under developer control or the
95 control of a bulk assignee or bulk buyer pursuant to part VII of
96 this chapter and complaints against developers, bulk assignees,
97 or bulk buyers involving improper turnover or failure to



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98 turnover, pursuant to s. 718.301. However, after turnover has
99 occurred, the division has jurisdiction to investigate
100 complaints related only to financial issues, elections, and unit
101 owner access to association records pursuant to s. 718.111(12).

102 (m) If a complaint is made, the division must conduct its
103 inquiry with due regard for the interests of the affected
104 parties. Within 30 days after receipt of a complaint, the
105 division shall acknowledge the complaint in writing and notify
106 the complainant whether the complaint is within the jurisdiction
107 of the division and whether additional information is needed by
108 the division from the complainant. The division shall conduct
109 its investigation and, within 90 days after receipt of the
110 original complaint or of timely requested additional
111 information, take action upon the complaint. However, the
112 failure to complete the investigation within 90 days does not
113 prevent the division from continuing the investigation,
114 accepting or considering evidence obtained or received after 90
115 days, or taking administrative action if reasonable cause exists
116 to believe that a violation of this chapter or a rule has
117 occurred. If an investigation is not completed within the time
118 limits established in this paragraph, the division shall, on a
119 monthly basis, notify the complainant in writing of the status
120 of the investigation. When reporting its action to the
121 complainant, the division shall inform the complainant of any
122 right to a hearing pursuant to ss. 120.569 and 120.57. The
123 division may adopt rules regarding the submission of a complaint
124 against an association.

125 Section 24. Section 718.5014, Florida Statutes, is amended
126 to read:



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127 718.5014 Ombudsman location.—The ombudsman shall maintain
128 his or her principal office at a ~~in Leon County on the premises~~
129 ~~of the division or, if suitable space cannot be provided there,~~
130 ~~at another~~ place convenient to the offices of the division which
131 will enable the ombudsman to expeditiously carry out the duties
132 and functions of his or her office. The ombudsman may establish
133 branch offices elsewhere in the state upon the concurrence of
134 the Governor.

135 Section 25. Paragraph (j) of subsection (1) of section
136 719.106, Florida Statutes, is amended to read:

137 719.106 Bylaws; cooperative ownership.—

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

141 (j) *Annual budget*.—

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

152 2. In addition to annual operating expenses, the budget
153 shall include reserve accounts for capital expenditures and
154 deferred maintenance. These accounts shall include, but not be
155 limited to, roof replacement, building painting, and pavement



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156 resurfacing, regardless of the amount of deferred maintenance
157 expense or replacement cost, and for any other items for which
158 the deferred maintenance expense or replacement cost exceeds
159 \$10,000. The amount to be reserved shall be computed by means of
160 a formula which is based upon estimated remaining useful life
161 and estimated replacement cost or deferred maintenance expense
162 of each reserve item. The association may adjust replacement
163 reserve assessments annually to take into account any changes in
164 estimates or extension of the useful life of a reserve item
165 caused by deferred maintenance. This paragraph shall not apply
166 to any budget in which the members of an association have, at a
167 duly called meeting of the association, determined for a fiscal
168 year to provide no reserves or reserves less adequate than
169 required by this subsection. However, prior to turnover of
170 control of an association by a developer to unit owners other
171 than a developer pursuant to s. 719.301, the developer may vote
172 to waive the reserves or reduce the funding of reserves for the
173 first 2 years of the operation of the association after which
174 time reserves may only be waived or reduced upon the vote of a
175 majority of all nondeveloper voting interests voting in person
176 or by limited proxy at a duly called meeting of the association.
177 If a meeting of the unit owners has been called to determine to
178 provide no reserves, or reserves less adequate than required,
179 and such result is not attained or a quorum is not attained, the
180 reserves as included in the budget shall go into effect.

181 3. Reserve funds and any interest accruing thereon shall
182 remain in the reserve account or accounts, and shall be used
183 only for authorized reserve expenditures unless their use for
184 other purposes is approved in advance by a vote of the majority



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185 of the voting interests, voting in person or by limited proxy at
186 a duly called meeting of the association. Prior to turnover of
187 control of an association by a developer to unit owners other
188 than the developer under s. 719.301, the developer may not vote
189 to use reserves for purposes other than that for which they were
190 intended without the approval of a majority of all nondeveloper
191 voting interests, voting in person or by limited proxy at a duly
192 called meeting of the association.

193

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

195 And the title is amended as follows:

196 Delete lines 98 - 105

197 and insert:

198 boards to adopt annual budgets within a specified
199 timeframe; specifying that the failure to adopt a
200 timely budget a second time is a minor violation and
201 that the previous year's budget continues in effect
202 until a new budget is adopted; amending s. 718.501,
203 F.S.; authorizing the Division of Florida
204 Condominiums, Timeshares, and Mobile Homes to adopt
205 rules regarding the submission of complaints against a
206 condominium association; amending s. 718.5014, F.S.;
207 revising the location requirements for the principal
208 office of the condominium ombudsman; amending s.
209 719.106, F.S.; requiring boards of administration to
210 adopt annual budgets within a specified timeframe;
211 specifying that the failure to adopt a timely budget a
212 second time is a minor violation and that the previous
213 year's budget continues in effect until a new budget



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is adopted; amending ss.