

By the Committee on Regulated Industries

580-02613-22

20227042__

1 A bill to be entitled
2 An act relating to community association building
3 safety; amending s. 718.103, F.S.; defining the term
4 "alternative funding method"; amending s. 718.111,
5 F.S.; revising the types of records that constitute
6 the official records of a condominium association;
7 specifying that renters of a unit have the right to
8 inspect and copy certain reports; requiring
9 associations to post a copy of certain reports and
10 reserve studies on the association's website; revising
11 rulemaking requirements for the Division of Florida
12 Condominiums, Timeshares, and Mobile Homes of the
13 Department of Business and Professional Regulation;
14 amending s. 718.112, F.S.; revising requirements for
15 association budgets; authorizing certain persons to
16 vote to waive reserve contributions or reduce reserve
17 funding under certain circumstances; authorizing
18 reserves to be funded via the pooling method if
19 certain requirements are met; requiring certain
20 associations to periodically have a study conducted
21 relating to required reserves; requiring boards to
22 annually review the results of such study to determine
23 if reserves are sufficient; requiring the division to
24 adopt rules; providing requirements for the reserve
25 study; requiring that reserve funds used for purposes
26 other than authorized expenditures be reinstated
27 within a specified timeframe; requiring financial
28 reports to include specified disclosures relating to
29 reserve funds under certain circumstances; creating s.

580-02613-22

20227042__

30 718.1123, F.S.; providing legislative findings;
31 defining the term "milestone inspection"; specifying
32 that the purpose of a milestone inspection is not to
33 determine compliance with the Florida Building Code;
34 requiring that certain residential condominium
35 buildings have milestone inspections performed at
36 specified times; requiring boards to arrange for such
37 inspections; specifying that associations are
38 responsible for costs relating to milestone
39 inspections; requiring that initial milestone
40 inspections for certain buildings be performed before
41 a specified date; specifying that milestone
42 inspections consist of two phases; providing
43 requirements for each phase of a milestone inspection;
44 requiring architects and engineers performing a
45 milestone inspection to submit a sealed copy of the
46 inspection report to certain entities; requiring
47 boards to distribute a copy of each inspection report
48 to unit owners and publish the report on the
49 association's website under certain circumstances;
50 authorizing local enforcing agencies to prescribe
51 timelines and penalties relating to milestone
52 inspections; requiring associations to comply with
53 certain standards adopted by the Florida Building
54 Commission; amending s. 718.113, F.S.; requiring
55 associations to provide for the maintenance, repair,
56 and replacement of association property; requiring
57 associations to perform specified required maintenance
58 under certain circumstances; specifying that necessary

580-02613-22

20227042__

59 maintenance, repair, or replacement of association
60 property does not require unit owner approval;
61 specifying that associations are not liable for
62 certain expenses if a resident must vacate a unit or
63 is denied access to a common element for specified
64 reasons; amending s. 718.115, F.S.; authorizing boards
65 to adopt a special assessment or borrow money for
66 certain reasons without unit owner approval;
67 conforming cross-references; amending s. 718.116,
68 F.S.; requiring that estoppel certificates contain
69 specified statements relating to reserves under
70 certain circumstances; conforming a cross-reference;
71 amending s. 718.1255, F.S.; revising the definition of
72 the term "dispute"; amending s. 718.301, F.S.;
73 revising reporting requirements relating to the
74 transfer of association control; amending s. 718.503,
75 F.S.; revising the documents that must be delivered to
76 a prospective buyer or lessee of a residential unit;
77 requiring that contracts for the resale of a
78 residential unit in a building that is subject to
79 certain reserve study and milestone inspection
80 requirements contain specified statements; specifying
81 that a contract that does not contain such required
82 statements is voidable at the option of the purchaser
83 before closing; amending s. 718.504, F.S.; requiring
84 that prospectuses and offering circulars contain
85 specified statements relating to reserves under
86 certain circumstances; amending s. 719.103, F.S.;
87 defining the term "alternative funding method";

580-02613-22

20227042__

88 amending s. 719.104, F.S.; revising the types of
89 records that constitute the official records of a
90 cooperative association; specifying that renters of a
91 unit have the right to inspect and copy certain
92 reports; revising rulemaking requirements for the
93 division; specifying that maintenance of the
94 cooperative property is the responsibility of
95 associations; requiring associations to perform
96 specified required maintenance under certain
97 circumstances; specifying that necessary maintenance,
98 repair, or replacement of cooperative property does
99 not require unit owner approval; specifying that
100 associations are not liable for certain expenses if a
101 resident must vacate a unit or is denied access to a
102 common element for specified reasons; amending s.
103 719.106, F.S.; revising requirements for association
104 budgets; authorizing certain persons to vote to waive
105 reserve contributions or reduce reserve funding under
106 certain circumstances; authorizing reserves to be
107 funded via the pooling method if certain requirements
108 are met; requiring that reserve funds used for
109 purposes other than authorized expenditures be
110 reinstated within a specified timeframe; requiring
111 certain associations to periodically have a study
112 conducted relating to required reserves; requiring
113 boards to annually review the results of such study to
114 determine if reserves are sufficient; requiring the
115 division to adopt rules; providing requirements for
116 the reserve study; creating s. 719.1062, F.S.;

580-02613-22

20227042__

117 providing legislative findings; defining the term
118 "milestone inspection"; specifying that the purpose of
119 a milestone inspection is not to determine compliance
120 with the Florida Building Code; requiring that certain
121 cooperative buildings have milestone inspections
122 performed at specified times; requiring boards to
123 arrange for such inspections; specifying that
124 associations are responsible for costs relating to
125 milestone inspections; requiring that initial
126 milestone inspections for certain buildings be
127 performed before a specified date; specifying that
128 milestone inspections consist of two phases; providing
129 requirements for each phase of a milestone inspection;
130 requiring architects and engineers performing a
131 milestone inspection to submit a sealed copy of the
132 inspection report to certain entities; requiring
133 boards to distribute a copy of each inspection report
134 to unit owners and publish the report on the
135 association's website under certain circumstances;
136 authorizing local enforcing agencies to prescribe
137 timelines and penalties relating to milestone
138 inspections; requiring associations to comply with
139 certain standards adopted by the commission; amending
140 s. 719.107, F.S.; authorizing boards to adopt a
141 special assessment or borrow money for certain reasons
142 without unit owner approval; amending s. 719.108,
143 F.S.; requiring that estoppel certificates contain
144 specified statements relating to reserves under
145 certain circumstances; amending s. 719.301, F.S.;

580-02613-22

20227042__

146 requiring developers to deliver a turnover inspection
147 report relating to cooperative property under certain
148 circumstances; amending s. 719.503, F.S.; revising the
149 documents that must be delivered to a prospective
150 buyer or lessee of a residential unit; requiring that
151 contracts for the resale of a residential unit in a
152 building that is subject to certain reserve study and
153 milestone inspection requirements contain specified
154 statements; specifying that a contract that does not
155 contain such required statements is voidable at the
156 option of the purchaser before closing; amending s.
157 719.504, F.S.; requiring that prospectuses and
158 offering circulars contain specified statements
159 relating to reserves under certain circumstances;
160 amending ss. 558.002, 718.121, 718.706, and 720.3085,
161 F.S.; conforming cross-references; reenacting s.
162 719.1255, F.S., relating to alternative resolution of
163 disputes, to incorporate the amendment made to s.
164 718.1255, F.S., in a reference thereto; providing an
165 effective date.

166

167 Be It Enacted by the Legislature of the State of Florida:

168

169 Section 1. Present subsections (1) through (30) of section
170 718.103, Florida Statutes, are redesignated as subsections (2)
171 through (31), respectively, and a new subsection (1) is added to
172 that section, to read:

173 718.103 Definitions.—As used in this chapter, the term:

174 (1) "Alternative funding method" means a method for the

580-02613-22

20227042__

175 funding of a reserve account by other than an assessment or
176 special assessment which may reasonably be expected to fully
177 satisfy the association's reserve funding obligations,
178 including, but not limited to, an immediately available line of
179 credit equal to the amount of any waived reserves, payments into
180 the reserve account by a developer who is offering units, or any
181 other method approved by the division.

182 Section 2. Paragraphs (a), (c), and (g) of subsection (12)
183 and subsection (13) of section 718.111, Florida Statutes, are
184 amended to read:

185 718.111 The association.—

186 (12) OFFICIAL RECORDS.—

187 (a) From the inception of the association, the association
188 shall maintain each of the following items, if applicable, which
189 constitutes the official records of the association:

190 1. A copy of the plans, permits, warranties, and other
191 items provided by the developer under s. 718.301(4).

192 2. A photocopy of the recorded declaration of condominium
193 of each condominium operated by the association and each
194 amendment to each declaration.

195 3. A photocopy of the recorded bylaws of the association
196 and each amendment to the bylaws.

197 4. A certified copy of the articles of incorporation of the
198 association, or other documents creating the association, and
199 each amendment thereto.

200 5. A copy of the current rules of the association.

201 6. A book or books that contain the minutes of all meetings
202 of the association, the board of administration, and the unit
203 owners.

580-02613-22

20227042__

204 7. A current roster of all unit owners and their mailing
205 addresses, unit identifications, voting certifications, and, if
206 known, telephone numbers. The association shall also maintain
207 the e-mail addresses and facsimile numbers of unit owners
208 consenting to receive notice by electronic transmission. The e-
209 mail addresses and facsimile numbers are not accessible to unit
210 owners if consent to receive notice by electronic transmission
211 is not provided in accordance with sub-subparagraph (c)3.e.
212 However, the association is not liable for an inadvertent
213 disclosure of the e-mail address or facsimile number for
214 receiving electronic transmission of notices.

215 8. All current insurance policies of the association and
216 condominiums operated by the association.

217 9. A current copy of any management agreement, lease, or
218 other contract to which the association is a party or under
219 which the association or the unit owners have an obligation or
220 responsibility.

221 10. Bills of sale or transfer for all property owned by the
222 association.

223 11. Accounting records for the association and separate
224 accounting records for each condominium that the association
225 operates. Any person who knowingly or intentionally defaces or
226 destroys such records, or who knowingly or intentionally fails
227 to create or maintain such records, with the intent of causing
228 harm to the association or one or more of its members, is
229 personally subject to a civil penalty pursuant to s.
230 718.501(1)(d). The accounting records must include, but are not
231 limited to:

232 a. Accurate, itemized, and detailed records of all receipts

580-02613-22

20227042__

233 and expenditures.

234 b. A current account and a monthly, bimonthly, or quarterly
235 statement of the account for each unit designating the name of
236 the unit owner, the due date and amount of each assessment, the
237 amount paid on the account, and the balance due.

238 c. All audits, reviews, accounting statements, reserve
239 studies, and financial reports of the association or
240 condominium.

241 d. All contracts for work to be performed. Bids for work to
242 be performed are also considered official records and must be
243 maintained by the association for at least 1 year after receipt
244 of the bid.

245 12. Ballots, sign-in sheets, voting proxies, and all other
246 papers and electronic records relating to voting by unit owners,
247 which must be maintained for 1 year from the date of the
248 election, vote, or meeting to which the document relates,
249 notwithstanding paragraph (b).

250 13. All rental records if the association is acting as
251 agent for the rental of condominium units.

252 14. A copy of the current question and answer sheet as
253 described in s. 718.504.

254 15. A copy of the inspection reports ~~report as~~ described in
255 ss. 718.1123 and 718.301(4)(p) and any other inspection report
256 relating to a structural or life safety inspection of
257 association property ~~s. 718.301(4)(p)~~.

258 16. Bids for materials, equipment, or services.

259 17. All affirmative acknowledgments made pursuant to s.
260 718.121(4)(c).

261 18. All other written records of the association not

580-02613-22

20227042__

262 specifically included in the foregoing which are related to the
263 operation of the association.

264 (c)1. The official records of the association are open to
265 inspection by any association member or the authorized
266 representative of such member at all reasonable times. The right
267 to inspect the records includes the right to make or obtain
268 copies, at the reasonable expense, if any, of the member or
269 authorized representative of such member. A renter of a unit has
270 a right to inspect and copy only the declaration of condominium,
271 ~~and~~ the association's bylaws and rules, and the inspection
272 reports described in ss. 718.1123 and 718.301(4) (p). The
273 association may adopt reasonable rules regarding the frequency,
274 time, location, notice, and manner of record inspections and
275 copying but may not require a member to demonstrate any purpose
276 or state any reason for the inspection. The failure of an
277 association to provide the records within 10 working days after
278 receipt of a written request creates a rebuttable presumption
279 that the association willfully failed to comply with this
280 paragraph. A unit owner who is denied access to official records
281 is entitled to the actual damages or minimum damages for the
282 association's willful failure to comply. Minimum damages are \$50
283 per calendar day for up to 10 days, beginning on the 11th
284 working day after receipt of the written request. The failure to
285 permit inspection entitles any person prevailing in an
286 enforcement action to recover reasonable attorney fees from the
287 person in control of the records who, directly or indirectly,
288 knowingly denied access to the records.

289 2. Any person who knowingly or intentionally defaces or
290 destroys accounting records that are required by this chapter to

580-02613-22

20227042__

291 be maintained during the period for which such records are
292 required to be maintained, or who knowingly or intentionally
293 fails to create or maintain accounting records that are required
294 to be created or maintained, with the intent of causing harm to
295 the association or one or more of its members, is personally
296 subject to a civil penalty pursuant to s. 718.501(1)(d).

297 3. The association shall maintain an adequate number of
298 copies of the declaration, articles of incorporation, bylaws,
299 and rules, and all amendments to each of the foregoing, as well
300 as the question and answer sheet as described in s. 718.504 and
301 year-end financial information required under this section, on
302 the condominium property to ensure their availability to unit
303 owners and prospective purchasers, and may charge its actual
304 costs for preparing and furnishing these documents to those
305 requesting the documents. An association shall allow a member or
306 his or her authorized representative to use a portable device,
307 including a smartphone, tablet, portable scanner, or any other
308 technology capable of scanning or taking photographs, to make an
309 electronic copy of the official records in lieu of the
310 association's providing the member or his or her authorized
311 representative with a copy of such records. The association may
312 not charge a member or his or her authorized representative for
313 the use of a portable device. Notwithstanding this paragraph,
314 the following records are not accessible to unit owners:

315 a. Any record protected by the lawyer-client privilege as
316 described in s. 90.502 and any record protected by the work-
317 product privilege, including a record prepared by an association
318 attorney or prepared at the attorney's express direction, which
319 reflects a mental impression, conclusion, litigation strategy,

580-02613-22

20227042__

320 or legal theory of the attorney or the association, and which
321 was prepared exclusively for civil or criminal litigation or for
322 adversarial administrative proceedings, or which was prepared in
323 anticipation of such litigation or proceedings until the
324 conclusion of the litigation or proceedings.

325 b. Information obtained by an association in connection
326 with the approval of the lease, sale, or other transfer of a
327 unit.

328 c. Personnel records of association or management company
329 employees, including, but not limited to, disciplinary, payroll,
330 health, and insurance records. For purposes of this sub-
331 subparagraph, the term "personnel records" does not include
332 written employment agreements with an association employee or
333 management company, or budgetary or financial records that
334 indicate the compensation paid to an association employee.

335 d. Medical records of unit owners.

336 e. Social security numbers, driver license numbers, credit
337 card numbers, e-mail addresses, telephone numbers, facsimile
338 numbers, emergency contact information, addresses of a unit
339 owner other than as provided to fulfill the association's notice
340 requirements, and other personal identifying information of any
341 person, excluding the person's name, unit designation, mailing
342 address, property address, and any address, e-mail address, or
343 facsimile number provided to the association to fulfill the
344 association's notice requirements. Notwithstanding the
345 restrictions in this sub-subparagraph, an association may print
346 and distribute to unit owners a directory containing the name,
347 unit address, and all telephone numbers of each unit owner.
348 However, an owner may exclude his or her telephone numbers from

580-02613-22

20227042__

349 the directory by so requesting in writing to the association. An
350 owner may consent in writing to the disclosure of other contact
351 information described in this sub-subparagraph. The association
352 is not liable for the inadvertent disclosure of information that
353 is protected under this sub-subparagraph if the information is
354 included in an official record of the association and is
355 voluntarily provided by an owner and not requested by the
356 association.

357 f. Electronic security measures that are used by the
358 association to safeguard data, including passwords.

359 g. The software and operating system used by the
360 association which allow the manipulation of data, even if the
361 owner owns a copy of the same software used by the association.
362 The data is part of the official records of the association.

363 h. All affirmative acknowledgments made pursuant to s.
364 718.121(4)(c).

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

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

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

374 (II) A website, application, or web portal operated by a
375 third-party provider with whom the association owns, leases,
376 rents, or otherwise obtains the right to operate a web page,
377 subpage, web portal, collection of subpages or web portals, or

580-02613-22

20227042__

378 an application which is dedicated to the association's
379 activities and on which required notices, records, and documents
380 may be posted or made available by the association.

381 b. The association's website or application must be
382 accessible through the Internet and must contain a subpage, web
383 portal, or other protected electronic location that is
384 inaccessible to the general public and accessible only to unit
385 owners and employees of the association.

386 c. Upon a unit owner's written request, the association
387 must provide the unit owner with a username and password and
388 access to the protected sections of the association's website or
389 application which contain any notices, records, or documents
390 that must be electronically provided.

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

393 a. The recorded declaration of condominium of each
394 condominium operated by the association and each amendment to
395 each declaration.

396 b. The recorded bylaws of the association and each
397 amendment to the bylaws.

398 c. The articles of incorporation of the association, or
399 other documents creating the association, and each amendment to
400 the articles of incorporation or other documents. The copy
401 posted pursuant to this sub-subparagraph must be a copy of the
402 articles of incorporation filed with the Department of State.

403 d. The rules of the association.

404 e. A list of all executory contracts or documents to which
405 the association is a party or under which the association or the
406 unit owners have an obligation or responsibility and, after

580-02613-22

20227042__

407 bidding for the related materials, equipment, or services has
408 closed, a list of bids received by the association within the
409 past year. Summaries of bids for materials, equipment, or
410 services which exceed \$500 must be maintained on the website or
411 application for 1 year. In lieu of summaries, complete copies of
412 the bids may be posted.

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

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

418 h. The certification of each director required by s.
419 718.112(2)(d)4.b.

420 i. All contracts or transactions between the association
421 and any director, officer, corporation, firm, or association
422 that is not an affiliated condominium association or any other
423 entity in which an association director is also a director or
424 officer and financially interested.

425 j. Any contract or document regarding a conflict of
426 interest or possible conflict of interest as provided in ss.
427 468.436(2)(b)6. and 718.3027(3).

428 k. The notice of any unit owner meeting and the agenda for
429 the meeting, as required by s. 718.112(2)(d)3., no later than 14
430 days before the meeting. The notice must be posted in plain view
431 on the front page of the website or application, or on a
432 separate subpage of the website or application labeled "Notices"
433 which is conspicuously visible and linked from the front page.
434 The association must also post on its website or application any
435 document to be considered and voted on by the owners during the

580-02613-22

20227042__

436 meeting or any document listed on the agenda at least 7 days
437 before the meeting at which the document or the information
438 within the document will be considered.

439 1. Notice of any board meeting, the agenda, and any other
440 document required for the meeting as required by s.
441 718.112(2)(c), which must be posted no later than the date
442 required for notice under s. 718.112(2)(c).

443 m. The inspection reports described in ss. 718.1123 and
444 718.301(4)(p) and any other inspection report relating to a
445 structural or life safety inspection of association property.

446 n. The reserve study required under s. 718.112(2).

447 3. The association shall ensure that the information and
448 records described in paragraph (c), which are not allowed to be
449 accessible to unit owners, are not posted on the association's
450 website or application. If protected information or information
451 restricted from being accessible to unit owners is included in
452 documents that are required to be posted on the association's
453 website or application, the association shall ensure the
454 information is redacted before posting the documents.
455 Notwithstanding the foregoing, the association or its agent is
456 not liable for disclosing information that is protected or
457 restricted under this paragraph unless such disclosure was made
458 with a knowing or intentional disregard of the protected or
459 restricted nature of such information.

460 4. The failure of the association to post information
461 required under subparagraph 2. is not in and of itself
462 sufficient to invalidate any action or decision of the
463 association's board or its committees.

464 (13) FINANCIAL REPORTING.—Within 90 days after the end of

580-02613-22

20227042__

465 the fiscal year, or annually on a date provided in the bylaws,
466 the association shall prepare and complete, or contract for the
467 preparation and completion of, a financial report for the
468 preceding fiscal year. Within 21 days after the final financial
469 report is completed by the association or received from the
470 third party, but not later than 120 days after the end of the
471 fiscal year or other date as provided in the bylaws, the
472 association shall mail to each unit owner at the address last
473 furnished to the association by the unit owner, or hand deliver
474 to each unit owner, a copy of the most recent financial report
475 or a notice that a copy of the most recent financial report will
476 be mailed or hand delivered to the unit owner, without charge,
477 within 5 business days after receipt of a written request from
478 the unit owner. The division shall adopt rules setting forth
479 uniform accounting principles and standards to be used by all
480 associations and addressing the financial reporting requirements
481 for multicondominium associations. The rules must include, but
482 not be limited to, standards for presenting a summary of
483 association reserves, including a good faith estimate disclosing
484 the annual amount of reserve funds that would be necessary for
485 the association to fully fund reserves for each reserve item
486 based on the straight-line accounting method or on the pooling
487 method. ~~This disclosure is not applicable to reserves funded via~~
488 ~~the pooling method.~~ In adopting such rules, the division shall
489 consider the number of members and annual revenues of an
490 association. Financial reports shall be prepared as follows:
491 (a) An association that meets the criteria of this
492 paragraph shall prepare a complete set of financial statements
493 in accordance with generally accepted accounting principles. The

580-02613-22

20227042__

494 financial statements must be based upon the association's total
495 annual revenues, as follows:

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

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

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

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

507 2. A report of cash receipts and disbursements must
508 disclose the amount of receipts by accounts and receipt
509 classifications and the amount of expenses by accounts and
510 expense classifications, including, but not limited to, the
511 following, as applicable: costs for security, professional and
512 management fees and expenses, taxes, costs for recreation
513 facilities, expenses for refuse collection and utility services,
514 expenses for lawn care, costs for building maintenance and
515 repair, insurance costs, administration and salary expenses, and
516 reserves accumulated and expended for capital expenditures,
517 deferred maintenance, and any other category for which the
518 association maintains reserves.

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

521 1. Compiled, reviewed, or audited financial statements, if
522 the association is required to prepare a report of cash receipts

580-02613-22

20227042__

523 and expenditures;

524 2. Reviewed or audited financial statements, if the
525 association is required to prepare compiled financial
526 statements; or

527 3. Audited financial statements if the association is
528 required to prepare reviewed financial statements.

529 (d) If approved by a majority of the voting interests
530 present at a properly called meeting of the association, an
531 association may prepare:

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

534 2. A report of cash receipts and expenditures or a compiled
535 financial statement in lieu of a reviewed or audited financial
536 statement; or

537 3. A report of cash receipts and expenditures, a compiled
538 financial statement, or a reviewed financial statement in lieu
539 of an audited financial statement.

540

541 Such meeting and approval must occur before the end of the
542 fiscal year and is effective only for the fiscal year in which
543 the vote is taken, except that the approval may also be
544 effective for the following fiscal year. If the developer has
545 not turned over control of the association, all unit owners,
546 including the developer, may vote on issues related to the
547 preparation of the association's financial reports, from the
548 date of incorporation of the association through the end of the
549 second fiscal year after the fiscal year in which the
550 certificate of a surveyor and mapper is recorded pursuant to s.
551 718.104(4)(e) or an instrument that transfers title to a unit in

580-02613-22

20227042__

552 the condominium which is not accompanied by a recorded
553 assignment of developer rights in favor of the grantee of such
554 unit is recorded, whichever occurs first. Thereafter, all unit
555 owners except the developer may vote on such issues until
556 control is turned over to the association by the developer. Any
557 audit or review prepared under this section shall be paid for by
558 the developer if done before turnover of control of the
559 association.

560 (e) A unit owner may provide written notice to the division
561 of the association's failure to mail or hand deliver him or her
562 a copy of the most recent financial report within 5 business
563 days after he or she submitted a written request to the
564 association for a copy of such report. If the division
565 determines that the association failed to mail or hand deliver a
566 copy of the most recent financial report to the unit owner, the
567 division shall provide written notice to the association that
568 the association must mail or hand deliver a copy of the most
569 recent financial report to the unit owner and the division
570 within 5 business days after it receives such notice from the
571 division. An association that fails to comply with the
572 division's request may not waive the financial reporting
573 requirement provided in paragraph (d) for the fiscal year in
574 which the unit owner's request was made and the following fiscal
575 year. A financial report received by the division pursuant to
576 this paragraph shall be maintained, and the division shall
577 provide a copy of such report to an association member upon his
578 or her request.

579 Section 3. Paragraph (f) of subsection (2) of section
580 718.112, Florida Statutes, is amended to read:

580-02613-22

20227042__

581 718.112 Bylaws.—

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

585 (f) *Annual budget*.—

586 1. The proposed annual budget of estimated revenues and
587 expenses must be detailed and must show the amounts budgeted by
588 accounts and expense classifications, including, at a minimum,
589 any applicable expenses listed in s. 718.504(21). The board
590 shall adopt the annual budget at least 14 days prior to the
591 start of the association's fiscal year. In the event that the
592 board fails to timely adopt the annual budget a second time, it
593 shall be deemed a minor violation and the prior year's budget
594 shall continue in effect until a new budget is adopted. A
595 multicondominium association shall adopt a separate budget of
596 common expenses for each condominium the association operates
597 and shall adopt a separate budget of common expenses for the
598 association. In addition, if the association maintains limited
599 common elements with the cost to be shared only by those
600 entitled to use the limited common elements as provided for in
601 s. 718.113(1), the budget or a schedule attached to it must show
602 the amount budgeted for this maintenance. If, after turnover of
603 control of the association to the unit owners, any of the
604 expenses listed in s. 718.504(21) are not applicable, they need
605 not be listed.

606 2.a. In addition to annual operating expenses, the budget
607 must include reserve accounts for capital expenditures and
608 deferred maintenance. These accounts must include, but are not
609 limited to, the maintenance and replacement of the association

580-02613-22

20227042__

610 property identified in s. 718.301(4)(p) ~~roof replacement,~~
611 ~~building painting, and pavement resurfacing,~~ regardless of the
612 amount of deferred maintenance expense or replacement cost, and
613 any other item that has a deferred maintenance expense or
614 replacement cost that exceeds \$10,000. The amount to be reserved
615 must be computed using a formula based upon estimated remaining
616 useful life and estimated replacement cost or deferred
617 maintenance expense of each reserve item. The association may
618 adjust replacement reserve assessments annually to take into
619 account any changes in estimates or extension of the useful life
620 of a reserve item caused by deferred maintenance. This
621 subsection does not apply to an adopted budget in which the
622 members of an association have determined, by a majority vote at
623 a duly called meeting of the association, to provide no reserves
624 or less reserves than required by this subsection. If an
625 association is required to perform a reserve study under
626 subparagraph 3., the members of the association may vote to
627 waive reserve contributions or reduce reserve funding if the
628 association's reserve obligations are funded consistent with the
629 reserve study currently in effect or if the association provides
630 an alternative funding method for the association's reserve
631 obligations. Reserves may be funded using the pooling method;
632 however, funding for the maintenance, repair, or replacement of
633 the association property identified in s. 718.301(4)(p) may not
634 be pooled with reserves for other expenses of the association.

635 b. Before turnover of control of an association by a
636 developer to unit owners other than a developer pursuant to s.
637 718.301, the developer may vote the voting interests allocated
638 to its units to waive the reserves or reduce the funding of

580-02613-22

20227042__

639 reserves through the period expiring at the end of the second
640 fiscal year after the fiscal year in which the certificate of a
641 surveyor and mapper is recorded pursuant to s. 718.104(4)(e) or
642 an instrument that transfers title to a unit in the condominium
643 which is not accompanied by a recorded assignment of developer
644 rights in favor of the grantee of such unit is recorded,
645 whichever occurs first, after which time reserves may be waived
646 or reduced only upon the vote of a majority of all nondeveloper
647 voting interests voting in person or by limited proxy at a duly
648 called meeting of the association. If an association is required
649 to perform a reserve study under subparagraph 3., the developer
650 may vote to waive reserve contributions or reduce reserve
651 funding only if the association's reserve obligations are funded
652 consistent with the reserve study currently in effect or if the
653 association provides an alternative funding method for the
654 association's reserve obligations. If a meeting of the unit
655 owners has been called to determine whether to waive or reduce
656 the funding of reserves and no such result is achieved or a
657 quorum is not attained, the reserves included in the budget
658 shall go into effect. After the turnover, the developer may vote
659 its voting interest to waive or reduce the funding of reserves.

660 3. Unless the governing documents provide for a more
661 frequent reserve study, an association with a residential
662 condominium building that is three stories or more in height
663 must have a study conducted of the reserves required to repair,
664 replace, and restore the association property identified in s.
665 718.301(4)(p) at least every 3 years. The board shall review the
666 results of such study at least annually to determine if reserves
667 are sufficient to meet the association's reserve obligations and

580-02613-22

20227042__

668 to make any adjustments the board deems necessary to maintain
669 reserves, as appropriate. The division shall adopt rules setting
670 forth uniform standards and forms for reserve studies. The
671 reserve study must include, without limitation:

672 a. A summary of any inspection of the major components of
673 the association property identified in s. 718.301(4) (p) and any
674 other portion of the association property that the association
675 is obligated to maintain, repair, replace, or restore;

676 b. If applicable, a summary of the findings and
677 recommendations of the milestone inspection report required
678 under s. 718.1123;

679 c. An estimate of the remaining useful life of each major
680 component of the association property identified in s.
681 718.301(4) (p) and any other portion of the association property
682 that the association is obligated to maintain, repair, replace,
683 or restore identified pursuant to a milestone inspection or any
684 other structural or life safety inspection of the association
685 property;

686 d. An estimate of the cost of maintenance, repair,
687 replacement, or restoration of each major component of the
688 association property identified in s. 718.301(4) (p) and any
689 other portion of the association property identified pursuant to
690 sub-subparagraph c. during and at the end of its useful life;
691 and

692 e. An estimate of the total annual assessment that may be
693 necessary to cover the cost of maintaining, repairing,
694 replacing, or restoring the major components of the association
695 property identified in s. 718.301(4) (p) and any other portion of
696 the association property identified pursuant to sub-subparagraph

580-02613-22

20227042__

697 c., after subtracting the reserves of the association as of the
698 date of the study, and an estimate of the funding plan,
699 including any alternative funding method, which may be necessary
700 to provide adequate funding for the required reserves.

701 4. To the extent that the reserve study conducted in
702 accordance with this paragraph indicates a need to budget for
703 reserves, the annual budget must include:

704 a. The identification of all items for which reserves are
705 or will be established;

706 b. The current estimated replacement cost, estimated
707 remaining life, and estimated useful life of the association
708 property identified in s. 718.301(4) (p);

709 c. As of the beginning of the fiscal year for which the
710 budget is prepared, the current amount of accumulated cash
711 reserves set aside to repair, replace, or restore the reserve
712 components and the amount of the expected contribution to the
713 reserve fund for that fiscal year;

714 d. A description of the funding plan for the reserve
715 funding obligations of the association, including the use of
716 regular assessments, special assessments, and any other
717 alternative funding method; and

718 e. A description of the procedures used for the estimation
719 and accumulation of reserves pursuant to this paragraph, the
720 identity of any independent third party who conducted the
721 reserve study on behalf of the association, and the extent to
722 which the association is funding its reserve obligations
723 consistent with the reserve study currently in effect.

724 5.3- Reserve funds and any interest accruing thereon shall
725 remain in the reserve account or accounts, and may be used only

580-02613-22

20227042__

726 for authorized reserve expenditures unless their use for other
727 purposes is approved in advance by a majority vote at a duly
728 called meeting of the association. Before turnover of control of
729 an association by a developer to unit owners other than the
730 developer pursuant to s. 718.301, the developer-controlled
731 association may not vote to use reserves for purposes other than
732 those for which they were intended without the approval of a
733 majority of all nondeveloper voting interests, voting in person
734 or by limited proxy at a duly called meeting of the association.
735 Reserve funds that are used for a purpose other than authorized
736 reserve expenditures must be reinstated in the reserve account
737 or accounts within 12 months after the expenditure.

738 6.a.4. The only voting interests that are eligible to vote
739 on questions that involve waiving or reducing the funding of
740 reserves, or using existing reserve funds for purposes other
741 than purposes for which the reserves were intended, are the
742 voting interests of the units subject to assessment to fund the
743 reserves in question. Proxy questions relating to waiving or
744 reducing the funding of reserves or using existing reserve funds
745 for purposes other than purposes for which the reserves were
746 intended must contain the following statement in capitalized,
747 bold letters in a font size larger than any other used on the
748 face of the proxy ballot: WAIVING OF RESERVES, IN WHOLE OR IN
749 PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY
750 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED
751 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

752 b. If the budget of the association provides for funding
753 accounts for deferred expenditures, including, but not limited
754 to, funds for capital expenditures and deferred maintenance, but

580-02613-22

20227042__

755 the association has voted to waive reserves or to use existing
756 reserve funds for purposes other than purposes for which the
757 reserves were intended, a financial report must contain the
758 following statement in conspicuous type: THE OWNERS HAVE ELECTED
759 TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED ALTERNATIVE
760 USES OF EXISTING RESERVES UNDER SECTION 718.112(2)(f), FLORIDA
761 STATUTES. THE WAIVING OR ALTERNATIVE USE OF RESERVE FUNDS MAY
762 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED
763 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

764 c. If the association is required to perform a reserve
765 study under this paragraph and the budget of the association
766 does not fund the association's reserve obligations consistent
767 with the reserve study currently in effect or the association
768 has not provided an alternative funding method for the
769 association's reserve obligations, the financial report must
770 also contain the following statement in conspicuous type: THE
771 BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO
772 SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER
773 SECTION 718.112(2)(f), FLORIDA STATUTES. THE BUDGET OF THE
774 ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS
775 FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT
776 WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES
777 CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN
778 UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

779 Section 4. Section 718.1123, Florida Statutes, is created
780 to read:

781 718.1123 Mandatory structural inspections.-

782 (1) The Legislature finds that maintaining the structural
783 integrity of a condominium building throughout its service life

580-02613-22

20227042__

784 is of paramount importance in order to ensure that buildings are
785 structurally sound so as not to pose a threat to the public
786 health, safety, or welfare. As such, the Legislature finds that
787 the imposition of a statewide structural inspection program for
788 aging residential condominium buildings in this state is
789 necessary to ensure that such buildings are safe for continued
790 use.

791 (2) As used in this section, the term "milestone
792 inspection" means a structural inspection of a building by a
793 licensed architect or engineer authorized to practice in this
794 state for the purposes of attesting to the life safety and
795 adequacy of the structural components of the building and, to
796 the extent reasonably possible, determining the general
797 structural condition of the building as it affects the safety of
798 such building. The purpose of such inspection is not to
799 determine if the condition of an existing building is in
800 compliance with the Florida Building Code.

801 (3) A residential condominium building that is three
802 stories or more in height must have a milestone inspection
803 performed by December 31 of the year in which the building
804 reaches 30 years of age, based on the date the certificate of
805 occupancy was issued, and every 10 years thereafter. A
806 residential condominium building that is three stories or more
807 in height and is located within 3 miles of a coastline as
808 defined in s. 376.031 must have a milestone inspection by
809 December 31 of the year in which the building reaches 20 years
810 of age, based on the date the certificate of occupancy was
811 issued, and every 7 years thereafter. If a condominium building
812 is required to have a milestone inspection performed pursuant to

580-02613-22

20227042__

813 this section, the board of administration of the association
814 must arrange for the milestone inspection to be performed and is
815 responsible for ensuring compliance with the requirements of
816 this section. The association responsible for inspection under
817 this section is responsible for all costs associated with the
818 inspection.

819 (4) If a milestone inspection is required under this
820 section and the building's certificate of occupancy was issued
821 on or before July 1, 1992, the building's initial milestone
822 inspection must be performed before December 31, 2024.

823 (5) A milestone inspection consists of two phases:

824 (a) For phase one of the milestone inspection, a licensed
825 architect or engineer authorized to practice in this state shall
826 perform a visual examination of all habitable and nonhabitable
827 areas of a building and provide a qualitative assessment of the
828 structural conditions of the building. Surface imperfections,
829 such as cracks, distortion, sagging, excessive deflections,
830 significant misalignment, signs of leakage, or peeling of
831 finishes, must be critically viewed as possible signs of
832 structural distress. If the architect or engineer finds no signs
833 of structural distress to any building components under visual
834 examination, phase two of the inspection, as provided in
835 paragraph (b), is not required. An architect or engineer who
836 completes the first phase of a milestone inspection shall
837 prepare and submit an inspection report pursuant to subsection
838 (6).

839 (b) Phase two of the milestone inspection must be performed
840 if any structural distress is identified during phase one. The
841 inspector in charge of a phase two inspection must be a licensed

580-02613-22

20227042__

842 engineer or licensed architect who has a minimum of 5 years of
843 experience designing the primary structural components of
844 buildings and a minimum of 5 years of experience inspecting
845 structural components of existing buildings of a similar size,
846 scope, and type of construction. A phase two inspection may
847 involve destructive or nondestructive testing at the inspector's
848 direction. The inspection may be as extensive or as limited as
849 necessary to fully assess damaged areas of the building in order
850 to confirm that the building is safe for its intended use or to
851 recommend a program for fully assessing and repairing damaged
852 portions of the building. When determining testing locations,
853 the inspector must give preference to locations that are the
854 least disruptive and most easily repairable while still being
855 representative of the structure. An inspector who completes the
856 second phase of a milestone inspection shall prepare and submit
857 an inspection report pursuant to subsection (6).

858 (6) Upon completion of a phase one or phase two milestone
859 inspection, the architect or engineer who performed the
860 inspection must submit a sealed copy of the inspection report to
861 the board of administration and to the building official of the
862 local government that has jurisdiction. The board of
863 administration must distribute a copy of each inspection report
864 to each unit owner, regardless of whether there are deficiencies
865 reported. If the association is required by law to have a
866 website, it must publish the report on the association's
867 website.

868 (7) A local enforcing agency may prescribe timelines and
869 penalties with respect to compliance with this section.

870 (8) An association shall comply with structural and life

580-02613-22

20227042__

871 safety standards for maintenance and inspections adopted by the
872 Florida Building Commission.

873 Section 5. Present subsections (4) through (9) of section
874 718.113, Florida Statutes, are redesignated as subsections (5)
875 through (10), respectively, a new subsection (4) is added to
876 that section, and subsections (1) and (2) of that section are
877 amended, to read:

878 718.113 Maintenance; limitation upon improvement; display
879 of flag; hurricane shutters and protection; display of religious
880 decorations.—

881 (1) Maintenance of the common elements is the
882 responsibility of the association. The association shall provide
883 for the maintenance, repair, and replacement of the association
884 property identified in s. 718.301(4) (p). After turnover of
885 control of the association to the unit owners, the association
886 must perform any required maintenance identified by the
887 developer pursuant to s. 718.301(4) (p) until the association
888 obtains new maintenance protocols from a licensed professional
889 engineer or architect. The declaration may provide that certain
890 limited common elements shall be maintained by those entitled to
891 use the limited common elements or that the association shall
892 provide the maintenance, either as a common expense or with the
893 cost shared only by those entitled to use the limited common
894 elements. If the maintenance is to be by the association at the
895 expense of only those entitled to use the limited common
896 elements, the declaration shall describe in detail the method of
897 apportioning such costs among those entitled to use the limited
898 common elements, and the association may use the provisions of
899 s. 718.116 to enforce payment of the shares of such costs by the

580-02613-22

20227042__

900 unit owners entitled to use the limited common elements.

901 (2) (a) Except as otherwise provided in this section, there
902 shall be no material alteration or substantial additions to the
903 common elements or to real property which is association
904 property, except in a manner provided in the declaration as
905 originally recorded or as amended under the procedures provided
906 therein. If the declaration as originally recorded or as amended
907 under the procedures provided therein does not specify the
908 procedure for approval of material alterations or substantial
909 additions, 75 percent of the total voting interests of the
910 association must approve the alterations or additions before the
911 material alterations or substantial additions are commenced.
912 This paragraph is intended to clarify existing law and applies
913 to associations existing on July 1, 2018.

914 (b) There shall not be any material alteration of, or
915 substantial addition to, the common elements of any condominium
916 operated by a multicondominium association unless approved in
917 the manner provided in the declaration of the affected
918 condominium or condominiums as originally recorded or as amended
919 under the procedures provided therein. If a declaration as
920 originally recorded or as amended under the procedures provided
921 therein does not specify a procedure for approving such an
922 alteration or addition, the approval of 75 percent of the total
923 voting interests of each affected condominium is required before
924 the material alterations or substantial additions are commenced.
925 This subsection does not prohibit a provision in any
926 declaration, articles of incorporation, or bylaws as originally
927 recorded or as amended under the procedures provided therein
928 requiring the approval of unit owners in any condominium

580-02613-22

20227042__

929 operated by the same association or requiring board approval
930 before a material alteration or substantial addition to the
931 common elements is permitted. This paragraph is intended to
932 clarify existing law and applies to associations existing on
933 July 1, 2018.

934 (c) There shall not be any material alteration or
935 substantial addition made to association real property operated
936 by a multicondominium association, except as provided in the
937 declaration, articles of incorporation, or bylaws as originally
938 recorded or as amended under the procedures provided therein. If
939 the declaration, articles of incorporation, or bylaws as
940 originally recorded or as amended under the procedures provided
941 therein do not specify the procedure for approving an alteration
942 or addition to association real property, the approval of 75
943 percent of the total voting interests of the association is
944 required before the material alterations or substantial
945 additions are commenced. This paragraph is intended to clarify
946 existing law and applies to associations existing on July 1,
947 2018.

948 (d) The necessary maintenance, repair, or replacement of
949 association property is not a material alteration or substantial
950 addition requiring unit owner approval.

951 (4) The association is not liable for alternative housing
952 costs, lost rent, or other expenses if a resident must vacate a
953 unit or is denied access to a common element for necessary
954 maintenance, repair, or replacement of association property.

955 Section 6. Paragraphs (a) and (e) of subsection (1) of
956 section 718.115, Florida Statutes, are amended to read

957 718.115 Common expenses and common surplus.—

580-02613-22

20227042__

958 (1) (a) Common expenses include the expenses of the
959 operation, maintenance, repair, replacement, or protection of
960 the common elements and association property, costs of carrying
961 out the powers and duties of the association, and any other
962 expense, whether or not included in the foregoing, designated as
963 common expense by this chapter, the declaration, the documents
964 creating the association, or the bylaws. Common expenses also
965 include reasonable transportation services, insurance for
966 directors and officers, road maintenance and operation expenses,
967 in-house communications, and security services, which are
968 reasonably related to the general benefit of the unit owners
969 even if such expenses do not attach to the common elements or
970 property of the condominium. However, such common expenses must
971 either have been services or items provided on or after the date
972 control of the association is transferred from the developer to
973 the unit owners or must be services or items provided for in the
974 condominium documents or bylaws. Unless the manner of payment or
975 allocation of expenses is otherwise addressed in the declaration
976 of condominium, the expenses of any items or services required
977 by any federal, state, or local governmental entity to be
978 installed, maintained, or supplied to the condominium property
979 by the association, including, but not limited to, firesafety
980 equipment or water and sewer service where a master meter serves
981 the condominium, shall be common expenses whether or not such
982 items or services are specifically identified as common expenses
983 in the declaration of condominium, articles of incorporation, or
984 bylaws of the association. Notwithstanding any provision in a
985 declaration requiring, prohibiting, or limiting a board of
986 administration's authority to adopt a special assessment or to

580-02613-22

20227042__

987 borrow money on behalf of the association, including any
988 provision in the governing documents requiring unit owner voting
989 or approval, the board may adopt a special assessment or borrow
990 money for the necessary maintenance, repair, or replacement of
991 association property.

992 (e) The expense of installation, replacement, operation,
993 repair, and maintenance of hurricane shutters, impact glass,
994 code-compliant windows or doors, or other types of code-
995 compliant hurricane protection by the board pursuant to s.
996 718.113(6) ~~s. 718.113(5)~~ constitutes a common expense and shall
997 be collected as provided in this section if the association is
998 responsible for the maintenance, repair, and replacement of the
999 hurricane shutters, impact glass, code-compliant windows or
1000 doors, or other types of code-compliant hurricane protection
1001 pursuant to the declaration of condominium. However, if the
1002 maintenance, repair, and replacement of the hurricane shutters,
1003 impact glass, code-compliant windows or doors, or other types of
1004 code-compliant hurricane protection are the responsibility of
1005 the unit owners pursuant to the declaration of condominium, the
1006 cost of the installation of the hurricane shutters, impact
1007 glass, code-compliant windows or doors, or other types of code-
1008 compliant hurricane protection is not a common expense and shall
1009 be charged individually to the unit owners based on the cost of
1010 installation of the hurricane shutters, impact glass, code-
1011 compliant windows or doors, or other types of code-compliant
1012 hurricane protection appurtenant to the unit. Notwithstanding s.
1013 718.116(9), and regardless of whether or not the declaration
1014 requires the association or unit owners to maintain, repair, or
1015 replace hurricane shutters, impact glass, code-compliant windows

580-02613-22

20227042__

1016 or doors, or other types of code-compliant hurricane protection,
1017 a unit owner who has previously installed hurricane shutters in
1018 accordance with s. 718.113(6) ~~s. 718.113(5)~~ that comply with the
1019 current applicable building code shall receive a credit when the
1020 shutters are installed; a unit owner who has previously
1021 installed impact glass or code-compliant windows or doors that
1022 comply with the current applicable building code shall receive a
1023 credit when the impact glass or code-compliant windows or doors
1024 are installed; and a unit owner who has installed other types of
1025 code-compliant hurricane protection that comply with the current
1026 applicable building code shall receive a credit when the same
1027 type of other code-compliant hurricane protection is installed,
1028 and the credit shall be equal to the pro rata portion of the
1029 assessed installation cost assigned to each unit. However, such
1030 unit owner remains responsible for the pro rata share of
1031 expenses for hurricane shutters, impact glass, code-compliant
1032 windows or doors, or other types of code-compliant hurricane
1033 protection installed on common elements and association property
1034 by the board pursuant to s. 718.113(6) ~~s. 718.113(5)~~ and remains
1035 responsible for a pro rata share of the expense of the
1036 replacement, operation, repair, and maintenance of such
1037 shutters, impact glass, code-compliant windows or doors, or
1038 other types of code-compliant hurricane protection.

1039 Section 7. Paragraph (b) of subsection (1) of section
1040 718.116, Florida Statutes, is amended, and paragraphs (j) and
1041 (k) are added to subsection (8) of that section, to read:

1042 718.116 Assessments; liability; lien and priority;
1043 interest; collection.-

1044 (1)

580-02613-22

20227042__

1045 (b)1. The liability of a first mortgagee or its successor
1046 or assignees who acquire title to a unit by foreclosure or by
1047 deed in lieu of foreclosure for the unpaid assessments that
1048 became due before the mortgagee's acquisition of title is
1049 limited to the lesser of:

1050 a. The unit's unpaid common expenses and regular periodic
1051 assessments which accrued or came due during the 12 months
1052 immediately preceding the acquisition of title and for which
1053 payment in full has not been received by the association; or

1054 b. One percent of the original mortgage debt. The
1055 provisions of this paragraph apply only if the first mortgagee
1056 joined the association as a defendant in the foreclosure action.
1057 Joinder of the association is not required if, on the date the
1058 complaint is filed, the association was dissolved or did not
1059 maintain an office or agent for service of process at a location
1060 which was known to or reasonably discoverable by the mortgagee.

1061 2. An association, or its successor or assignee, that
1062 acquires title to a unit through the foreclosure of its lien for
1063 assessments is not liable for any unpaid assessments, late fees,
1064 interest, or reasonable attorney's fees and costs that came due
1065 before the association's acquisition of title in favor of any
1066 other association, as defined in s. 718.103(3) ~~s. 718.103(2)~~ or
1067 s. 720.301(9), which holds a superior lien interest on the unit.
1068 This subparagraph is intended to clarify existing law.

1069 (8) Within 10 business days after receiving a written or
1070 electronic request therefor from a unit owner or the unit
1071 owner's designee, or a unit mortgagee or the unit mortgagee's
1072 designee, the association shall issue the estoppel certificate.
1073 Each association shall designate on its website a person or

580-02613-22

20227042__

1074 entity with a street or e-mail address for receipt of a request
1075 for an estoppel certificate issued pursuant to this section. The
1076 estoppel certificate must be provided by hand delivery, regular
1077 mail, or e-mail to the requestor on the date of issuance of the
1078 estoppel certificate.

1079 (j) If the budget of the association provides for funding
1080 accounts for deferred expenditures, including, but not limited
1081 to, funds for capital expenditures and deferred maintenance, but
1082 the association has voted to waive reserves or to use existing
1083 reserve funds for purposes other than purposes for which the
1084 reserves were intended, the estoppel certificate must also
1085 contain the following statement in conspicuous type: THE OWNERS
1086 HAVE ELECTED TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED
1087 ALTERNATIVE USES OF EXISTING RESERVES UNDER SECTION
1088 718.112(2)(f), FLORIDA STATUTES. THE WAIVING OR ALTERNATIVE USE
1089 OF RESERVE FUNDS MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT
1090 OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1091 (k) If the association is required to perform a reserve
1092 study under section 718.112(2)(f) and the budget of the
1093 association does not fund the association's reserve obligations
1094 consistent with the reserve study currently in effect or the
1095 association has not provided an alternative funding method for
1096 the association's reserve obligations, the estoppel certificate
1097 must also contain the following statement in conspicuous type:
1098 THE BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO
1099 SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER
1100 SECTION 718.112(2)(f), FLORIDA STATUTES. THE BUDGET OF THE
1101 ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS
1102 FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT

580-02613-22

20227042__

1103 WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES
1104 CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN
1105 UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1106 Section 8. Subsection (1) of section 718.1255, Florida
1107 Statutes, is amended to read:

1108 718.1255 Alternative dispute resolution; mediation;
1109 nonbinding arbitration; applicability.—

1110 (1) DEFINITIONS.—As used in this section, the term
1111 "dispute" means any disagreement between two or more parties
1112 that involves:

1113 (a) The authority of the board of directors, under this
1114 chapter or association document, to:

1115 1. Require any owner to take any action, or not to take any
1116 action, involving that owner's unit or the appurtenances
1117 thereto.

1118 2. Alter or add to a common area or element.

1119 (b) The failure of a governing body, when required by this
1120 chapter or an association document, to:

1121 1. Properly conduct elections.

1122 2. Give adequate notice of meetings or other actions.

1123 3. Properly conduct meetings.

1124 4. Allow inspection of books and records.

1125 (c) A plan of termination pursuant to s. 718.117.

1126 (d) The failure of a governing body, when required by this
1127 chapter or an association document, to:

1128 1. Perform a structural or life safety inspection,
1129 including the milestone inspection required under s. 718.1123.

1130 2. Perform a reserve study.

1131 3. Fund reserves.

580-02613-22

20227042__

1132 4. Make or provide necessary maintenance or repairs of
1133 association property.

1134
1135 "Dispute" does not include any disagreement that primarily
1136 involves: title to any unit or common element; the
1137 interpretation or enforcement of any warranty; the levy of a fee
1138 or assessment, or the collection of an assessment levied against
1139 a party; the eviction or other removal of a tenant from a unit;
1140 alleged breaches of fiduciary duty by one or more directors; or
1141 claims for damages to a unit based upon the alleged failure of
1142 the association to maintain the common elements or condominium
1143 property.

1144 Section 9. Paragraph (p) of subsection (4) of section
1145 718.301, Florida Statutes, is amended to read:

1146 718.301 Transfer of association control; claims of defect
1147 by association.—

1148 (4) At the time that unit owners other than the developer
1149 elect a majority of the members of the board of administration
1150 of an association, the developer shall relinquish control of the
1151 association, and the unit owners shall accept control.

1152 Simultaneously, or for the purposes of paragraph (c) not more
1153 than 90 days thereafter, the developer shall deliver to the
1154 association, at the developer's expense, all property of the
1155 unit owners and of the association which is held or controlled
1156 by the developer, including, but not limited to, the following
1157 items, if applicable, as to each condominium operated by the
1158 association:

1159 (p) A report included in the official records, under seal
1160 of an architect or engineer authorized to practice in this

580-02613-22

20227042__

1161 state, attesting to required maintenance, condition, useful
1162 life, and replacement costs of the following applicable
1163 association property ~~common elements~~ comprising a turnover
1164 inspection report:

- 1165 1. Roof.
- 1166 2. Structure.
- 1167 3. Fireproofing and fire protection systems.
- 1168 4. Elevators.
- 1169 5. Heating and cooling systems.
- 1170 6. Plumbing.
- 1171 7. Electrical systems.
- 1172 8. Swimming pool or spa and equipment.
- 1173 9. Seawalls.
- 1174 10. Pavement and parking areas.
- 1175 11. Drainage systems.
- 1176 12. Painting.
- 1177 13. Irrigation systems.
- 1178 14. Waterproofing.

1179 Section 10. Paragraph (b) of subsection (1) of section
1180 718.503, Florida Statutes, is amended, and paragraph (d) is
1181 added to subsection (2) of that section, to read:

1182 718.503 Developer disclosure prior to sale; nondeveloper
1183 unit owner disclosure prior to sale; voidability.—

1184 (1) DEVELOPER DISCLOSURE.—

1185 (b) *Copies of documents to be furnished to prospective*
1186 *buyer or lessee.*—Until such time as the developer has furnished
1187 the documents listed below to a person who has entered into a
1188 contract to purchase a residential unit or lease it for more
1189 than 5 years, the contract may be voided by that person,

580-02613-22

20227042__

1190 entitling the person to a refund of any deposit together with
1191 interest thereon as provided in s. 718.202. The contract may be
1192 terminated by written notice from the proposed buyer or lessee
1193 delivered to the developer within 15 days after the buyer or
1194 lessee receives all of the documents required by this section.
1195 The developer may not close for 15 days after ~~following~~ the
1196 execution of the agreement and delivery of the documents to the
1197 buyer as evidenced by a signed receipt for documents unless the
1198 buyer is informed in the 15-day voidability period and agrees to
1199 close before ~~prior to~~ the expiration of the 15 days. The
1200 developer shall retain in his or her records a separate
1201 agreement signed by the buyer as proof of the buyer's agreement
1202 to close before ~~prior to~~ the expiration of the ~~said~~ voidability
1203 period. The developer must retain such ~~Said~~ proof ~~shall be~~
1204 ~~retained~~ for a period of 5 years after the date of the closing
1205 of the transaction. The documents to be delivered to the
1206 prospective buyer are the prospectus or disclosure statement
1207 with all exhibits, if the development is subject to ~~the~~
1208 ~~provisions of~~ s. 718.504, or, if not, then copies of the
1209 following which are applicable:

1210 1. The question and answer sheet described in s. 718.504,
1211 and declaration of condominium, or the proposed declaration if
1212 the declaration has not been recorded, which shall include the
1213 certificate of a surveyor approximately representing the
1214 locations required by s. 718.104.

1215 2. The documents creating the association.

1216 3. The bylaws.

1217 4. The ground lease or other underlying lease of the
1218 condominium.

580-02613-22

20227042__

1219 5. The management contract, maintenance contract, and other
1220 contracts for management of the association and operation of the
1221 condominium and facilities used by the unit owners having a
1222 service term in excess of 1 year, and any management contracts
1223 that are renewable.

1224 6. The estimated operating budget for the condominium and a
1225 schedule of expenses for each type of unit, including fees
1226 assessed pursuant to s. 718.113(1) for the maintenance of
1227 limited common elements where such costs are shared only by
1228 those entitled to use the limited common elements.

1229 7. The lease of recreational and other facilities that will
1230 be used only by unit owners of the subject condominium.

1231 8. The lease of recreational and other common facilities
1232 that will be used by unit owners in common with unit owners of
1233 other condominiums.

1234 9. The form of unit lease if the offer is of a leasehold.

1235 10. Any declaration of servitude of properties serving the
1236 condominium but not owned by unit owners or leased to them or
1237 the association.

1238 11. If the development is to be built in phases or if the
1239 association is to manage more than one condominium, a
1240 description of the plan of phase development or the arrangements
1241 for the association to manage two or more condominiums.

1242 12. If the condominium is a conversion of existing
1243 improvements, the statements and disclosure required by s.
1244 718.616.

1245 13. The form of agreement for sale or lease of units.

1246 14. A copy of the floor plan of the unit and the plot plan
1247 showing the location of the residential buildings and the

580-02613-22

20227042__

1248 recreation and other common areas.

1249 15. A copy of all covenants and restrictions that ~~which~~
1250 will affect the use of the property and ~~which~~ are not contained
1251 in the foregoing.

1252 16. If the developer is required by state or local
1253 authorities to obtain acceptance or approval of any dock or
1254 marina facilities intended to serve the condominium, a copy of
1255 any such acceptance or approval acquired by the time of filing
1256 with the division under s. 718.502(1), or a statement that such
1257 acceptance or approval has not been acquired or received.

1258 17. Evidence demonstrating that the developer has an
1259 ownership, leasehold, or contractual interest in the land upon
1260 which the condominium is to be developed.

1261 18. A copy of the reserve study required under s.
1262 718.112(2)(f), along with a report or financial statement
1263 indicating the status of the reserves.

1264 (2) NONDEVELOPER DISCLOSURE.—

1265 (d) If the building in which the condominium unit is
1266 located is subject to the reserve study requirements in s.
1267 718.112(2)(f) and the milestone inspection requirements in s.
1268 718.1123, each contract for the resale of a residential unit
1269 must contain in conspicuous type either:

1270 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES
1271 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE MOST RECENT
1272 RESERVE STUDY REQUIRED BY SECTION 718.112, FLORIDA STATUTES, AND
1273 ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 718.1123,
1274 FLORIDA STATUTES, MORE THAN 3 DAYS, EXCLUDING SATURDAYS,
1275 SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF THIS
1276 CONTRACT; or

580-02613-22

20227042__

1277 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY
1278 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO
1279 CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL
1280 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE
1281 BUYER AND RECEIPT BY BUYER OF ALL OF THE FOLLOWING: A CURRENT
1282 COPY OF THE MOST RECENT RESERVE STUDY REQUIRED BY SECTION
1283 718.112, FLORIDA STATUTES, AND ALL MILESTONE INSPECTION REPORTS
1284 REQUIRED BY SECTION 718.1123, FLORIDA STATUTES. ANY PURPORTED
1285 WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER
1286 MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 3
1287 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER
1288 THE BUYER RECEIVES ALL OF THE FOLLOWING: THE MOST RECENT RESERVE
1289 STUDY REQUIRED BY SECTION 718.112, FLORIDA STATUTES, AND ALL
1290 MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 718.1123,
1291 FLORIDA STATUTES. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL
1292 TERMINATE AT CLOSING.

1293
1294 A contract that does not conform to the requirements of this
1295 paragraph is voidable at the option of the purchaser prior to
1296 closing.

1297 Section 11. Present subsections (22) through (28) of
1298 section 718.504, Florida Statutes, are redesignated as
1299 subsections (23) through (29), respectively, and a new
1300 subsection (22) is added to that section, to read:

1301 718.504 Prospectus or offering circular.—Every developer of
1302 a residential condominium which contains more than 20
1303 residential units, or which is part of a group of residential
1304 condominiums which will be served by property to be used in
1305 common by unit owners of more than 20 residential units, shall

580-02613-22

20227042__

1306 prepare a prospectus or offering circular and file it with the
1307 Division of Florida Condominiums, Timeshares, and Mobile Homes
1308 prior to entering into an enforceable contract of purchase and
1309 sale of any unit or lease of a unit for more than 5 years and
1310 shall furnish a copy of the prospectus or offering circular to
1311 each buyer. In addition to the prospectus or offering circular,
1312 each buyer shall be furnished a separate page entitled
1313 "Frequently Asked Questions and Answers," which shall be in
1314 accordance with a format approved by the division and a copy of
1315 the financial information required by s. 718.111. This page
1316 shall, in readable language, inform prospective purchasers
1317 regarding their voting rights and unit use restrictions,
1318 including restrictions on the leasing of a unit; shall indicate
1319 whether and in what amount the unit owners or the association is
1320 obligated to pay rent or land use fees for recreational or other
1321 commonly used facilities; shall contain a statement identifying
1322 that amount of assessment which, pursuant to the budget, would
1323 be levied upon each unit type, exclusive of any special
1324 assessments, and which shall further identify the basis upon
1325 which assessments are levied, whether monthly, quarterly, or
1326 otherwise; shall state and identify any court cases in which the
1327 association is currently a party of record in which the
1328 association may face liability in excess of \$100,000; and which
1329 shall further state whether membership in a recreational
1330 facilities association is mandatory, and if so, shall identify
1331 the fees currently charged per unit type. The division shall by
1332 rule require such other disclosure as in its judgment will
1333 assist prospective purchasers. The prospectus or offering
1334 circular may include more than one condominium, although not all

580-02613-22

20227042__

1335 such units are being offered for sale as of the date of the
1336 prospectus or offering circular. The prospectus or offering
1337 circular must contain the following information:

1338 (22) (a) If the budget of the association provides for
1339 funding accounts for deferred expenditures, including, but not
1340 limited to, funds for capital expenditures and deferred
1341 maintenance, but the association has voted to waive reserves or
1342 to use existing reserve funds for purposes other than purposes
1343 for which the reserves were intended, the prospectus or offering
1344 circular must also contain the following statement in
1345 conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN
1346 WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING
1347 RESERVES UNDER SECTION 718.112(2) (f), FLORIDA STATUTES. THE
1348 WAIVING OR ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT
1349 OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS
1350 REGARDING THOSE ITEMS.

1351 (b) If the association is required to perform a reserve
1352 study under section 718.112(2) (f) and the budget of the
1353 association does not fund the association's reserve obligations
1354 consistent with the reserve study currently in effect or the
1355 association has not provided an alternative funding method for
1356 the association's reserve obligations, the prospectus or
1357 offering circular must also contain the following statement in
1358 conspicuous type: THE BOARD OF ADMINISTRATION FOR THIS
1359 ASSOCIATION HAS FAILED TO SATISFY THE ASSOCIATION'S RESERVE
1360 FUNDING OBLIGATIONS UNDER SECTION 718.112(2) (f), FLORIDA
1361 STATUTES. THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR
1362 FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND
1363 DEFERRED MAINTENANCE CONSISTENT WITH THE ASSOCIATION'S RESERVE

580-02613-22

20227042__

1364 STUDY. FAILURE TO FUND RESERVES CONSISTENT WITH THE
1365 ASSOCIATION'S RESERVE STUDY MAY RESULT IN UNANTICIPATED SPECIAL
1366 ASSESSMENTS REGARDING THOSE ITEMS.

1367 Section 12. Present subsections (1) through (28) of section
1368 719.103, Florida Statutes, are redesignated as subsections (2)
1369 through (29), respectively, and a new subsection (1) is added to
1370 that section, to read:

1371 719.103 Definitions.—As used in this chapter:

1372 (1) "Alternative funding method" means a method for the
1373 funding of a reserve account by other than an assessment or
1374 special assessment which may reasonably be expected to fully
1375 satisfy the association's reserve funding obligations. This may
1376 include an immediately available line of credit equal to the
1377 amount of any waived reserves, payments into the reserve account
1378 by a developer who is offering units, or any other method that
1379 has been approved by the division.

1380 Section 13. Present subsections (5) through (11) of section
1381 719.104, Florida Statutes, are redesignated as subsections (6)
1382 through (12), respectively, a new subsection (5) is added to
1383 that section, and paragraphs (a) and (c) of subsection (2) and
1384 paragraph (a) of subsection (4) of that section are amended, to
1385 read:

1386 719.104 Cooperatives; access to units; records; financial
1387 reports; assessments; purchase of leases.—

1388 (2) OFFICIAL RECORDS.—

1389 (a) From the inception of the association, the association
1390 shall maintain a copy of each of the following, where
1391 applicable, which shall constitute the official records of the
1392 association:

580-02613-22

20227042__

- 1393 1. The plans, permits, warranties, and other items provided
1394 by the developer pursuant to s. 719.301(4).
- 1395 2. A photocopy of the cooperative documents.
- 1396 3. A copy of the current rules of the association.
- 1397 4. A book or books containing the minutes of all meetings
1398 of the association, of the board of directors, and of the unit
1399 owners.
- 1400 5. A current roster of all unit owners and their mailing
1401 addresses, unit identifications, voting certifications, and, if
1402 known, telephone numbers. The association shall also maintain
1403 the e-mail addresses and the numbers designated by unit owners
1404 for receiving notice sent by electronic transmission of those
1405 unit owners consenting to receive notice by electronic
1406 transmission. The e-mail addresses and numbers provided by unit
1407 owners to receive notice by electronic transmission shall be
1408 removed from association records when consent to receive notice
1409 by electronic transmission is revoked. However, the association
1410 is not liable for an erroneous disclosure of the e-mail address
1411 or the number for receiving electronic transmission of notices.
- 1412 6. All current insurance policies of the association.
- 1413 7. A current copy of any management agreement, lease, or
1414 other contract to which the association is a party or under
1415 which the association or the unit owners have an obligation or
1416 responsibility.
- 1417 8. Bills of sale or transfer for all property owned by the
1418 association.
- 1419 9. Accounting records for the association and separate
1420 accounting records for each unit it operates, according to good
1421 accounting practices. The accounting records shall include, but

580-02613-22

20227042__

1422 not be limited to:

1423 a. Accurate, itemized, and detailed records of all receipts
1424 and expenditures.

1425 b. A current account and a monthly, bimonthly, or quarterly
1426 statement of the account for each unit designating the name of
1427 the unit owner, the due date and amount of each assessment, the
1428 amount paid upon the account, and the balance due.

1429 c. All audits, reviews, accounting statements, reserve
1430 studies, and financial reports of the association.

1431 d. All contracts for work to be performed. Bids for work to
1432 be performed shall also be considered official records and shall
1433 be maintained for a period of 1 year.

1434 10. Ballots, sign-in sheets, voting proxies, and all other
1435 papers and electronic records relating to voting by unit owners,
1436 which shall be maintained for a period of 1 year after the date
1437 of the election, vote, or meeting to which the document relates.

1438 11. All rental records where the association is acting as
1439 agent for the rental of units.

1440 12. A copy of the current question and answer sheet as
1441 described in s. 719.504.

1442 13. All affirmative acknowledgments made pursuant to s.
1443 719.108(3)(b)3.

1444 14. A copy of the inspection reports as described in ss.
1445 719.1062 and 719.301(4)(p) and any other inspection report
1446 relating to a structural or life safety inspection of the
1447 cooperative property.

1448 15. All other written records of the association not
1449 specifically included in the foregoing which are related to the
1450 operation of the association.

580-02613-22

20227042__

1451 (c) The official records of the association are open to
1452 inspection by any association member or the authorized
1453 representative of such member at all reasonable times. The right
1454 to inspect the records includes the right to make or obtain
1455 copies, at the reasonable expense, if any, of the association
1456 member. A renter of a unit has a right to inspect and copy only
1457 the association's bylaws and rules and the inspection reports
1458 described in ss. 719.1062 and 719.301(4)(p). The association may
1459 adopt reasonable rules regarding the frequency, time, location,
1460 notice, and manner of record inspections and copying, but may
1461 not require a member to demonstrate any purpose or state any
1462 reason for the inspection. The failure of an association to
1463 provide the records within 10 working days after receipt of a
1464 written request creates a rebuttable presumption that the
1465 association willfully failed to comply with this paragraph. A
1466 member who is denied access to official records is entitled to
1467 the actual damages or minimum damages for the association's
1468 willful failure to comply. The minimum damages are \$50 per
1469 calendar day for up to 10 days, beginning on the 11th working
1470 day after receipt of the written request. The failure to permit
1471 inspection entitles any person prevailing in an enforcement
1472 action to recover reasonable attorney fees from the person in
1473 control of the records who, directly or indirectly, knowingly
1474 denied access to the records. Any person who knowingly or
1475 intentionally defaces or destroys accounting records that are
1476 required by this chapter to be maintained during the period for
1477 which such records are required to be maintained, or who
1478 knowingly or intentionally fails to create or maintain
1479 accounting records that are required to be created or

580-02613-22

20227042__

1480 maintained, with the intent of causing harm to the association
1481 or one or more of its members, is personally subject to a civil
1482 penalty under s. 719.501(1)(d). The association shall maintain
1483 an adequate number of copies of the declaration, articles of
1484 incorporation, bylaws, and rules, and all amendments to each of
1485 the foregoing, as well as the question and answer sheet as
1486 described in s. 719.504 and year-end financial information
1487 required by the department, on the cooperative property to
1488 ensure their availability to members and prospective purchasers,
1489 and may charge its actual costs for preparing and furnishing
1490 these documents to those requesting the same. An association
1491 shall allow a member or his or her authorized representative to
1492 use a portable device, including a smartphone, tablet, portable
1493 scanner, or any other technology capable of scanning or taking
1494 photographs, to make an electronic copy of the official records
1495 in lieu of the association providing the member or his or her
1496 authorized representative with a copy of such records. The
1497 association may not charge a member or his or her authorized
1498 representative for the use of a portable device. Notwithstanding
1499 this paragraph, the following records shall not be accessible to
1500 members:

1501 1. Any record protected by the lawyer-client privilege as
1502 described in s. 90.502 and any record protected by the work-
1503 product privilege, including any record prepared by an
1504 association attorney or prepared at the attorney's express
1505 direction which reflects a mental impression, conclusion,
1506 litigation strategy, or legal theory of the attorney or the
1507 association, and which was prepared exclusively for civil or
1508 criminal litigation or for adversarial administrative

580-02613-22

20227042__

1509 proceedings, or which was prepared in anticipation of such
1510 litigation or proceedings until the conclusion of the litigation
1511 or proceedings.

1512 2. Information obtained by an association in connection
1513 with the approval of the lease, sale, or other transfer of a
1514 unit.

1515 3. Personnel records of association or management company
1516 employees, including, but not limited to, disciplinary, payroll,
1517 health, and insurance records. For purposes of this
1518 subparagraph, the term "personnel records" does not include
1519 written employment agreements with an association employee or
1520 management company, or budgetary or financial records that
1521 indicate the compensation paid to an association employee.

1522 4. Medical records of unit owners.

1523 5. Social security numbers, driver license numbers, credit
1524 card numbers, e-mail addresses, telephone numbers, facsimile
1525 numbers, emergency contact information, addresses of a unit
1526 owner other than as provided to fulfill the association's notice
1527 requirements, and other personal identifying information of any
1528 person, excluding the person's name, unit designation, mailing
1529 address, property address, and any address, e-mail address, or
1530 facsimile number provided to the association to fulfill the
1531 association's notice requirements. Notwithstanding the
1532 restrictions in this subparagraph, an association may print and
1533 distribute to unit owners a directory containing the name, unit
1534 address, and all telephone numbers of each unit owner. However,
1535 an owner may exclude his or her telephone numbers from the
1536 directory by so requesting in writing to the association. An
1537 owner may consent in writing to the disclosure of other contact

580-02613-22

20227042__

1538 information described in this subparagraph. The association is
1539 not liable for the inadvertent disclosure of information that is
1540 protected under this subparagraph if the information is included
1541 in an official record of the association and is voluntarily
1542 provided by an owner and not requested by the association.

1543 6. Electronic security measures that are used by the
1544 association to safeguard data, including passwords.

1545 7. The software and operating system used by the
1546 association which allow the manipulation of data, even if the
1547 owner owns a copy of the same software used by the association.
1548 The data is part of the official records of the association.

1549 8. All affirmative acknowledgments made pursuant to s.
1550 719.108(3)(b)3.

1551 (4) FINANCIAL REPORT.—

1552 (a) Within 90 days following the end of the fiscal or
1553 calendar year or annually on such date as provided in the bylaws
1554 of the association, the board of administration shall prepare
1555 and complete, or contract with a third party to prepare and
1556 complete, a financial report covering the preceding fiscal or
1557 calendar year. Within 21 days after the financial report is
1558 completed by the association or received from the third party,
1559 but no later than 120 days after the end of the fiscal year,
1560 calendar year, or other date provided in the bylaws, the
1561 association shall provide each member with a copy of the annual
1562 financial report or a written notice that a copy of the
1563 financial report is available upon request at no charge to the
1564 member. The division shall adopt rules setting forth uniform
1565 accounting principles, standards, and reporting requirements.
1566 The rules must include, but not be limited to, standards for

580-02613-22

20227042__

1567 presenting a summary of association reserves, including a good
1568 faith estimate disclosing the annual amount of reserve funds
1569 that would be necessary for the association to fully fund
1570 reserves for each reserve item based on the straight-line
1571 accounting method or on the pooling method. In adopting such
1572 rules, the division shall consider the number of members and
1573 annual revenues of an association.

1574 (5) MAINTENANCE.—

1575 (a) Maintenance of the common elements is the
1576 responsibility of the association. The association shall provide
1577 for the maintenance, repair, and replacement of the cooperative
1578 property identified in s. 719.301(4) (p). After turnover of
1579 control of the association to the unit owners, the association
1580 must perform any required maintenance identified by the
1581 developer pursuant to s. 719.301(4) (p) until the association
1582 obtains new maintenance protocols from a licensed professional
1583 engineer or architect.

1584 (b) The necessary maintenance, repair, or replacement of
1585 cooperative property is not a material alteration or substantial
1586 addition requiring unit owner approval.

1587 (c) The association is not liable for alternative housing
1588 costs, lost rent, or other expenses if a resident must vacate a
1589 unit or is denied access to a common element for necessary
1590 maintenance, repair, or replacement of cooperative property.

1591 Section 14. Paragraph (j) of subsection (1) of section
1592 719.106, Florida Statutes, is amended to read:

1593 719.106 Bylaws; cooperative ownership.—

1594 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative
1595 documents shall provide for the following, and if they do not,

580-02613-22

20227042__

1596 they shall be deemed to include the following:

1597 (j) *Annual budget.*—

1598 1. The proposed annual budget of common expenses shall be
1599 detailed and shall show the amounts budgeted by accounts and
1600 expense classifications, including, if applicable, but not
1601 limited to, those expenses listed in s. 719.504(20). The board
1602 of administration shall adopt the annual budget at least 14 days
1603 prior to the start of the association's fiscal year. In the
1604 event that the board fails to timely adopt the annual budget a
1605 second time, it shall be deemed a minor violation and the prior
1606 year's budget shall continue in effect until a new budget is
1607 adopted.

1608 2. In addition to annual operating expenses, the budget
1609 shall include reserve accounts for capital expenditures and
1610 deferred maintenance. These accounts shall include, but not be
1611 limited to, the maintenance and replacement of the cooperative
1612 property identified in s. 719.301(4)(p) ~~roof replacement,~~
1613 ~~building painting, and pavement resurfacing,~~ regardless of the
1614 amount of deferred maintenance expense or replacement cost, and
1615 for any other items for which the deferred maintenance expense
1616 or replacement cost exceeds \$10,000. The amount to be reserved
1617 shall be computed by means of a formula which is based upon
1618 estimated remaining useful life and estimated replacement cost
1619 or deferred maintenance expense of each reserve item. The
1620 association may adjust replacement reserve assessments annually
1621 to take into account any changes in estimates or extension of
1622 the useful life of a reserve item caused by deferred
1623 maintenance. This paragraph shall not apply to any budget in
1624 which the members of an association have, at a duly called

580-02613-22

20227042__

1625 meeting of the association, determined for a fiscal year to
1626 provide no reserves or reserves less adequate than required by
1627 this subsection. If an association is required to perform a
1628 reserve study under this paragraph, the members of the
1629 association may vote to waive reserve contributions or reduce
1630 reserve funding if the association's reserve obligations are
1631 funded consistent with the reserve study currently in effect or
1632 if the association provides an alternative funding method for
1633 the association's reserve obligations. Reserves may be funded
1634 using the pooling method; however, funding for the maintenance,
1635 repair, or replacement of the cooperative property identified in
1636 s. 719.301(4) (p) may not be pooled with reserves for other
1637 expenses of the association.

1638 3. ~~However,~~ Prior to turnover of control of an association
1639 by a developer to unit owners other than a developer pursuant to
1640 s. 719.301, the developer may vote to waive the reserves or
1641 reduce the funding of reserves for the first 2 years of the
1642 operation of the association after which time reserves may only
1643 be waived or reduced upon the vote of a majority of all
1644 nondeveloper voting interests voting in person or by limited
1645 proxy at a duly called meeting of the association. If a meeting
1646 of the unit owners has been called to determine to provide no
1647 reserves, or reserves less adequate than required, and such
1648 result is not attained or a quorum is not attained, the reserves
1649 as included in the budget shall go into effect. For an
1650 association that is required to perform a reserve study under
1651 this paragraph, the developer may only vote to waive reserve
1652 contributions or reduce reserve funding if the association's
1653 reserve obligations are funded consistent with the reserve study

580-02613-22

20227042__

1654 currently in effect or if the association provides an
1655 alternative funding method for the association's reserve
1656 obligations.

1657 ~~4.3.~~ Reserve funds and any interest accruing thereon shall
1658 remain in the reserve account or accounts, and shall be used
1659 only for authorized reserve expenditures unless their use for
1660 other purposes is approved in advance by a vote of the majority
1661 of the voting interests, voting in person or by limited proxy at
1662 a duly called meeting of the association. Prior to turnover of
1663 control of an association by a developer to unit owners other
1664 than the developer under s. 719.301, the developer may not vote
1665 to use reserves for purposes other than that for which they were
1666 intended without the approval of a majority of all nondeveloper
1667 voting interests, voting in person or by limited proxy at a duly
1668 called meeting of the association. Reserve funds that are used
1669 for purposes other than authorized reserve expenditures must be
1670 reinstated in the reserve account or accounts within 12 months
1671 after the expenditure.

1672 5. Unless the governing documents provide for a more
1673 frequent reserve study, an association with a residential
1674 cooperative building that is three stories or more in height
1675 must have a study conducted of the reserves required to repair,
1676 replace, and restore the cooperative property identified in s.
1677 719.301(4)(p) at least every 3 years. The board shall review the
1678 results of such study at least annually to determine if reserves
1679 are sufficient to meet the association's reserve obligations and
1680 to make any adjustments the board deems necessary to maintain
1681 reserves, as appropriate. The division shall adopt rules setting
1682 forth uniform standards and forms for reserve studies. The

580-02613-22

20227042__

1683 reserve study must include, without limitation:

1684 a. A summary of any inspection of the major components of
1685 the cooperative property identified in s. 719.301(4) (p) and any
1686 other portion of the cooperative property that the association
1687 is obligated to maintain, repair, replace, or restore;

1688 b. If applicable, a summary of the findings and
1689 recommendations of the milestone inspection report required
1690 under s. 719.1062;

1691 c. An estimate of the remaining useful life of each major
1692 component of the cooperative property identified in s.
1693 719.301(4) (p) and any other portion of the cooperative property
1694 that the association is obligated to maintain, repair, replace,
1695 or restore identified pursuant to a milestone inspection and any
1696 other structural or life safety inspection of the cooperative
1697 property;

1698 d. An estimate of the cost of maintenance, repair,
1699 replacement, or restoration of each major component of the
1700 cooperative property identified in s. 719.301(4) (p) and any
1701 other portion of the cooperative property that the association
1702 is obligated to maintain, repair, replace, or restore identified
1703 pursuant to sub-subparagraph c. during and at the end of its
1704 useful life; and

1705 e. An estimate of the total annual assessment that may be
1706 necessary to cover the cost of maintaining, repairing,
1707 replacing, or restoring the major components of the cooperative
1708 property identified in s. 719.301(4) (p) and any other portion of
1709 the cooperative property identified pursuant to sub-subparagraph
1710 c., after subtracting the reserves of the association as of the
1711 date of the study, and an estimate of the funding plan,

580-02613-22

20227042__

1712 including any alternative funding method, that may be necessary
1713 to provide adequate funding for the required reserves.

1714 6. To the extent that the reserve study conducted in
1715 accordance with this paragraph indicates a need to budget for
1716 reserves, the annual budget must include:

1717 a. The identification of all items for which reserves are
1718 or will be established;

1719 b. The current estimated replacement cost, estimated
1720 remaining life, and estimated useful life of the cooperative
1721 property identified in s. 719.301(4) (p);

1722 c. As of the beginning of the fiscal year for which the
1723 budget is prepared, the current amount of accumulated cash
1724 reserves set aside to repair, replace, or restore the reserve
1725 components and the amount of the expected contribution to the
1726 reserve fund for that fiscal year;

1727 d. A description of the funding plan for the reserve
1728 funding obligations of the association, including the use of
1729 regular assessments, special assessments, and any other
1730 alternative funding method; and

1731 e. A description of the procedures used for the estimation
1732 and accumulation of reserves pursuant to this paragraph, the
1733 identity of any independent third party who conducted the
1734 reserve study on behalf of the association, and the extent to
1735 which the association is funding its reserve obligations
1736 consistent with the reserve study currently in effect.

1737 7. If the budget of the association provides for funding
1738 accounts for deferred expenditures, including, but not limited
1739 to, funds for capital expenditures and deferred maintenance, but
1740 the association has voted to waive reserves or to use existing

580-02613-22

20227042__

1741 reserve funds for purposes other than purposes for which the
1742 reserves were intended, a financial report must contain the
1743 following statement in conspicuous type: THE OWNERS HAVE ELECTED
1744 TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED ALTERNATIVE
1745 USES OF EXISTING RESERVES UNDER SECTION 719.106(1)(j), FLORIDA
1746 STATUTES. THE WAIVING OR ALTERNATIVE USE OF RESERVE FUNDS MAY
1747 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED
1748 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1749 8. If the association is required to perform a reserve
1750 study under this paragraph and the budget of the association
1751 does not fund the association's reserve obligations consistent
1752 with the reserve study currently in effect or the association
1753 has not provided an alternative funding method for the
1754 association's reserve obligations, the financial report must
1755 also contain the following statement in conspicuous type: THE
1756 BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO
1757 SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER
1758 SECTION 719.106(1)(j), FLORIDA STATUTES. THE BUDGET OF THE
1759 ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS
1760 FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT
1761 WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES
1762 CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN
1763 UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1764 Section 15. Section 719.1062, Florida Statutes, is created
1765 to read:

1766 719.1062 Mandatory structural inspections.-

1767 (1) The Legislature finds that maintaining the structural
1768 integrity of a cooperative building throughout its service life
1769 is of paramount importance in order to ensure that buildings are

580-02613-22

20227042__

1770 structurally sound so as not to pose a threat to the public
1771 health, safety, or welfare. As such, the Legislature finds that
1772 the imposition of a statewide structural inspection program for
1773 aging residential cooperative buildings in this state is
1774 necessary to ensure that such buildings are safe for continued
1775 use.

1776 (2) As used in this section, the term "milestone
1777 inspection" means a structural inspection of a building by a
1778 licensed architect or engineer authorized to practice in this
1779 state for the purposes of attesting to the life safety and
1780 adequacy of the structural components of the building and, to
1781 the extent reasonably possible, determining the general
1782 structural condition of the building as it affects the safety of
1783 such building. The purpose of such inspection is not to
1784 determine if the condition of an existing building is in
1785 compliance with the Florida Building Code.

1786 (3) A residential cooperative building that is three
1787 stories or more in height must have a milestone inspection
1788 performed by December 31 of the year in which the building
1789 reaches 30 years of age, based on the date the certificate of
1790 occupancy was issued, and every 10 years thereafter. A
1791 residential cooperative building that is three stories or more
1792 in height and is located within 3 miles of a coastline as
1793 defined in s. 376.031 must have a milestone inspection by
1794 December 31 of the year in which the building reaches 20 years
1795 of age, based on the date the certificate of occupancy was
1796 issued, and every 7 years thereafter. If a cooperative building
1797 is required to have a milestone inspection performed pursuant to
1798 this section, the board of administration of the association

580-02613-22

20227042__

1799 must arrange for the milestone inspection to be performed and is
1800 responsible for ensuring compliance with the requirements of
1801 this section. The association responsible for inspection under
1802 this section is responsible for all costs associated with the
1803 inspection.

1804 (4) If a milestone inspection is required under this
1805 section, and the building's certificate of occupancy was issued
1806 on or before July 1, 1992, the building's initial milestone
1807 inspection must be performed before December 31, 2024.

1808 (5) A milestone inspection consists of two phases:

1809 (a) For phase one of the milestone inspection, a licensed
1810 architect or engineer authorized to practice in this state shall
1811 perform a visual examination of all habitable and nonhabitable
1812 areas of a building and provide a qualitative assessment of the
1813 structural conditions of the building. Surface imperfections,
1814 such as cracks, distortion, sagging, excessive deflections,
1815 significant misalignment, signs of leakage, or peeling of
1816 finishes, must be critically viewed as possible signs of
1817 structural distress. If the architect or engineer finds no signs
1818 of structural distress to any building components under visual
1819 examination, phase two of the inspection, as provided in
1820 paragraph (b), is not required. An architect or engineer who
1821 completes the first phase of a milestone inspection shall
1822 prepare and submit an inspection report pursuant to subsection
1823 (6).

1824 (b) Phase two of the milestone inspection must be performed
1825 if any structural distress is identified during phase one. The
1826 inspector in charge of a phase two inspection must be a licensed
1827 engineer or licensed architect who has a minimum of 5 years of

580-02613-22

20227042__

1828 experience designing the primary structural components of
1829 buildings and a minimum of 5 years of experience inspecting
1830 structural components of existing buildings of a similar size,
1831 scope, and type of construction. A phase two inspection may
1832 involve destructive or nondestructive testing at the inspector's
1833 direction. The inspection may be as extensive or as limited as
1834 necessary to fully assess damaged areas of the building in order
1835 to confirm that the building is safe for its intended use or to
1836 recommend a program for fully assessing and repairing damaged
1837 portions of the building. When determining testing locations,
1838 the inspector must give preference to locations that are the
1839 least disruptive and most easily repairable while still being
1840 representative of the structure. An inspector who completes the
1841 second phase of a milestone inspection shall prepare and submit
1842 an inspection report pursuant to subsection (6).

1843 (6) Upon completion of a phase one or phase two milestone
1844 inspection, the architect or engineer who performed the
1845 inspection must submit a sealed copy of the inspection report to
1846 the board of administration of the association and to the
1847 building official of the local government that has jurisdiction.
1848 The board of administration must distribute a copy of each
1849 inspection report to each unit owner regardless of whether there
1850 are deficiencies reported, and if the association is required by
1851 law to have a website, must publish the report on the
1852 association's website.

1853 (7) A local enforcing agency may prescribe timelines and
1854 penalties with respect to compliance with this section.

1855 (8) An association shall comply with structural and life
1856 safety standards for maintenance and inspections adopted by the

580-02613-22

20227042__

1857 Florida Building Commission.

1858 Section 16. Paragraph (f) is added to subsection (1) of
1859 section 719.107, Florida Statutes, to read:

1860 719.107 Common expenses; assessment.—

1861 (1)

1862 (f) Notwithstanding any provision in a declaration
1863 requiring, prohibiting, or limiting a board of administration's
1864 authority to adopt a special assessment or to borrow money on
1865 behalf of the association, including any provision in the
1866 governing documents requiring unit owner voting or approval, the
1867 board may adopt a special assessment or borrow money for the
1868 necessary maintenance, repair, or replacement of the cooperative
1869 property identified in s. 719.301(4)(p).

1870 Section 17. Paragraphs (j) and (k) are added to subsection
1871 (6) of section 719.108, Florida Statutes, to read:

1872 719.108 Rents and assessments; liability; lien and
1873 priority; interest; collection; cooperative ownership.—

1874 (6) Within 10 business days after receiving a written or
1875 electronic request for an estoppel certificate from a unit owner
1876 or the unit owner's designee, or a unit mortgagee or the unit
1877 mortgagee's designee, the association shall issue the estoppel
1878 certificate. Each association shall designate on its website a
1879 person or entity with a street or e-mail address for receipt of
1880 a request for an estoppel certificate issued pursuant to this
1881 section. The estoppel certificate must be provided by hand
1882 delivery, regular mail, or e-mail to the requestor on the date
1883 of issuance of the estoppel certificate.

1884 (j) If the budget of the association provides for funding
1885 accounts for deferred expenditures, including, but not limited

580-02613-22

20227042__

1886 to, funds for capital expenditures and deferred maintenance, but
1887 the association has voted to waive reserves or to use existing
1888 reserve funds for purposes other than purposes for which the
1889 reserves were intended, the estoppel certificate must also
1890 contain the following statement in conspicuous type: THE OWNERS
1891 HAVE ELECTED TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED
1892 ALTERNATIVE USES OF EXISTING RESERVES UNDER SECTION
1893 719.106(1)(j), FLORIDA STATUTES. THE WAIVING OR ALTERNATIVE USE
1894 OF RESERVE FUNDS MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT
1895 OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1896 (k) If the association is required to perform a reserve
1897 study under section 719.106(1)(j) and the budget of the
1898 association does not fund the association's reserve obligations
1899 consistent with the reserve study currently in effect or the
1900 association has not provided an alternative funding method for
1901 the association's reserve obligations, the estoppel certificate
1902 must also contain the following statement in conspicuous type:
1903 THE BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO
1904 SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER
1905 SECTION 719.106(1)(j), FLORIDA STATUTES. THE BUDGET OF THE
1906 ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS
1907 FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT
1908 WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES
1909 CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN
1910 UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1911 Section 18. Paragraph (p) is added to subsection (4) of
1912 section 719.301, Florida Statutes, to read:

1913 719.301 Transfer of association control.—

1914 (4) When unit owners other than the developer elect a

580-02613-22

20227042__

1915 majority of the members of the board of administration of an
1916 association, the developer shall relinquish control of the
1917 association, and the unit owners shall accept control.
1918 Simultaneously, or for the purpose of paragraph (c) not more
1919 than 90 days thereafter, the developer shall deliver to the
1920 association, at the developer's expense, all property of the
1921 unit owners and of the association held or controlled by the
1922 developer, including, but not limited to, the following items,
1923 if applicable, as to each cooperative operated by the
1924 association:

1925 (p) A report included in the official records, under seal
1926 of an architect or engineer authorized to practice in this
1927 state, attesting to required maintenance, condition, useful
1928 life, and replacement costs of the following applicable
1929 cooperative property comprising a turnover inspection report:

- 1930 1. Roof.
- 1931 2. Structure.
- 1932 3. Fireproofing and fire protection systems.
- 1933 4. Elevators.
- 1934 5. Heating and cooling systems.
- 1935 6. Plumbing.
- 1936 7. Electrical systems.
- 1937 8. Swimming pool or spa and equipment.
- 1938 9. Seawalls.
- 1939 10. Pavement and parking areas.
- 1940 11. Drainage systems.
- 1941 12. Painting.
- 1942 13. Irrigation systems.
- 1943 14. Waterproofing.

580-02613-22

20227042__

1944 Section 19. Paragraph (b) of subsection (1) of section
1945 719.503, Florida Statutes, is amended, and paragraph (d) is
1946 added to subsection (2) of that section, to read:

1947 719.503 Disclosure prior to sale.—

1948 (1) DEVELOPER DISCLOSURE.—

1949 (b) *Copies of documents to be furnished to prospective*
1950 *buyer or lessee.*—Until such time as the developer has furnished
1951 the documents listed below to a person who has entered into a
1952 contract to purchase a unit or lease it for more than 5 years,
1953 the contract may be voided by that person, entitling the person
1954 to a refund of any deposit together with interest thereon as
1955 provided in s. 719.202. The contract may be terminated by
1956 written notice from the proposed buyer or lessee delivered to
1957 the developer within 15 days after the buyer or lessee receives
1958 all of the documents required by this section. The developer may
1959 ~~shall~~ not close for 15 days after ~~following~~ the execution of the
1960 agreement and delivery of the documents to the buyer as
1961 evidenced by a receipt for documents signed by the buyer unless
1962 the buyer is informed in the 15-day voidability period and
1963 agrees to close before ~~prior to~~ the expiration of the 15 days.
1964 The developer shall retain in his or her records a separate
1965 signed agreement as proof of the buyer's agreement to close
1966 before ~~prior to~~ the expiration of the ~~said~~ voidability period.
1967 The developer must retain such ~~Said~~ proof ~~shall be retained~~ for
1968 a period of 5 years after the date of the closing transaction.
1969 The documents to be delivered to the prospective buyer are the
1970 prospectus or disclosure statement with all exhibits, if the
1971 development is subject to ~~the provisions of~~ s. 719.504, or, if
1972 not, then copies of the following which are applicable:

580-02613-22

20227042__

- 1973 1. The question and answer sheet described in s. 719.504,
1974 and cooperative documents, or the proposed cooperative documents
1975 if the documents have not been recorded, which shall include the
1976 certificate of a surveyor approximately representing the
1977 locations required by s. 719.104.
- 1978 2. The documents creating the association.
- 1979 3. The bylaws.
- 1980 4. The ground lease or other underlying lease of the
1981 cooperative.
- 1982 5. The management contract, maintenance contract, and other
1983 contracts for management of the association and operation of the
1984 cooperative and facilities used by the unit owners having a
1985 service term in excess of 1 year, and any management contracts
1986 that are renewable.
- 1987 6. The estimated operating budget for the cooperative and a
1988 schedule of expenses for each type of unit, including fees
1989 assessed to a shareholder who has exclusive use of limited
1990 common areas, where such costs are shared only by those entitled
1991 to use such limited common areas.
- 1992 7. The lease of recreational and other facilities that will
1993 be used only by unit owners of the subject cooperative.
- 1994 8. The lease of recreational and other common areas that
1995 will be used by unit owners in common with unit owners of other
1996 cooperatives.
- 1997 9. The form of unit lease if the offer is of a leasehold.
- 1998 10. Any declaration of servitude of properties serving the
1999 cooperative but not owned by unit owners or leased to them or
2000 the association.
- 2001 11. If the development is to be built in phases or if the

580-02613-22

20227042__

2002 association is to manage more than one cooperative, a
2003 description of the plan of phase development or the arrangements
2004 for the association to manage two or more cooperatives.

2005 12. If the cooperative is a conversion of existing
2006 improvements, the statements and disclosure required by s.
2007 719.616.

2008 13. The form of agreement for sale or lease of units.

2009 14. A copy of the floor plan of the unit and the plot plan
2010 showing the location of the residential buildings and the
2011 recreation and other common areas.

2012 15. A copy of all covenants and restrictions that ~~which~~
2013 will affect the use of the property and ~~which~~ are not contained
2014 in the foregoing.

2015 16. If the developer is required by state or local
2016 authorities to obtain acceptance or approval of any dock or
2017 marina facilities intended to serve the cooperative, a copy of
2018 any such acceptance or approval acquired by the time of filing
2019 with the division pursuant to s. 719.502(1) or a statement that
2020 such acceptance or approval has not been acquired or received.

2021 17. Evidence demonstrating that the developer has an
2022 ownership, leasehold, or contractual interest in the land upon
2023 which the cooperative is to be developed.

2024 18. A copy of the reserve study required under s.
2025 719.106(1)(j), along with a report or financial statement
2026 indicating the status of the reserves.

2027 (2) NONDEVELOPER DISCLOSURE.—

2028 (d) If the building in which the cooperative unit is
2029 located is subject to the reserve study requirements in s.
2030 719.106(1)(j) and the milestone inspection requirements in s.

580-02613-22

20227042__

2031 719.1062, each contract for the resale of a residential unit
2032 must also contain in conspicuous type either:

2033 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES
2034 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE MOST RECENT
2035 RESERVE STUDY REQUIRED BY SECTION 719.106, FLORIDA STATUTES, AND
2036 ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 719.1062,
2037 FLORIDA STATUTES, MORE THAN 3 DAYS, EXCLUDING SATURDAYS,
2038 SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF THIS
2039 CONTRACT; or

2040 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY
2041 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO
2042 CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL
2043 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE
2044 BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE MOST RECENT
2045 RESERVE STUDY REQUIRED BY SECTION 719.106, FLORIDA STATUTES, AND
2046 ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 719.1062,
2047 FLORIDA STATUTES. ANY PURPORTED WAIVER OF THESE VOIDABILITY
2048 RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR
2049 CLOSING FOR A PERIOD OF NOT MORE THAN 3 DAYS, EXCLUDING
2050 SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE BUYER RECEIVES
2051 THE MOST RECENT RESERVE STUDY REQUIRED BY SECTION 719.106,
2052 FLORIDA STATUTES, AND ALL MILESTONE INSPECTION REPORTS REQUIRED
2053 BY SECTION 719.1062, FLORIDA STATUTES. BUYER'S RIGHT TO VOID
2054 THIS AGREEMENT SHALL TERMINATE AT CLOSING.

2055
2056 A contract that does not conform to the requirements of this
2057 paragraph is voidable at the option of the purchaser prior to
2058 closing.

2059 Section 20. Subsection (28) is added to section 719.504,

580-02613-22

20227042__

2060 Florida Statutes, to read:

2061 719.504 Prospectus or offering circular.—Every developer of
2062 a residential cooperative which contains more than 20
2063 residential units, or which is part of a group of residential
2064 cooperatives which will be served by property to be used in
2065 common by unit owners of more than 20 residential units, shall
2066 prepare a prospectus or offering circular and file it with the
2067 Division of Florida Condominiums, Timeshares, and Mobile Homes
2068 prior to entering into an enforceable contract of purchase and
2069 sale of any unit or lease of a unit for more than 5 years and
2070 shall furnish a copy of the prospectus or offering circular to
2071 each buyer. In addition to the prospectus or offering circular,
2072 each buyer shall be furnished a separate page entitled
2073 “Frequently Asked Questions and Answers,” which must be in
2074 accordance with a format approved by the division. This page
2075 must, in readable language: inform prospective purchasers
2076 regarding their voting rights and unit use restrictions,
2077 including restrictions on the leasing of a unit; indicate
2078 whether and in what amount the unit owners or the association is
2079 obligated to pay rent or land use fees for recreational or other
2080 commonly used facilities; contain a statement identifying that
2081 amount of assessment which, pursuant to the budget, would be
2082 levied upon each unit type, exclusive of any special
2083 assessments, and which identifies the basis upon which
2084 assessments are levied, whether monthly, quarterly, or
2085 otherwise; state and identify any court cases in which the
2086 association is currently a party of record in which the
2087 association may face liability in excess of \$100,000; and state
2088 whether membership in a recreational facilities association is

580-02613-22

20227042__

2089 mandatory and, if so, identify the fees currently charged per
2090 unit type. The division shall by rule require such other
2091 disclosure as in its judgment will assist prospective
2092 purchasers. The prospectus or offering circular may include more
2093 than one cooperative, although not all such units are being
2094 offered for sale as of the date of the prospectus or offering
2095 circular. The prospectus or offering circular must contain the
2096 following information:

2097 (28) (a) If the budget of the association provides for
2098 funding accounts for deferred expenditures, including, but not
2099 limited to, funds for capital expenditures and deferred
2100 maintenance, but the association has voted to waive reserves or
2101 to use existing reserve funds for purposes other than purposes
2102 for which the reserves were intended, the prospectus or offering
2103 circular must also contain the following statement in
2104 conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN
2105 WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING
2106 RESERVES UNDER SECTION 719.106, FLORIDA STATUTES. THE WAIVING OR
2107 ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT OWNER
2108 LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS
2109 REGARDING THOSE ITEMS.

2110 (b) If the association is required to perform a reserve
2111 study under section 719.106(1)(j) and the budget of the
2112 association does not fund the association's reserve obligations
2113 consistent with the reserve study currently in effect or the
2114 association has not provided an alternative funding method for
2115 the association's reserve obligations, the prospectus or
2116 offering circular must also contain the following statement in
2117 conspicuous type: THE BOARD OF ADMINISTRATION FOR THIS

580-02613-22

20227042__

2118 ASSOCIATION HAS FAILED TO SATISFY THE ASSOCIATION'S RESERVE
2119 FUNDING OBLIGATIONS UNDER SECTION 719.106(1)(j), FLORIDA
2120 STATUTES. THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR
2121 FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND
2122 DEFERRED MAINTENANCE CONSISTENT WITH THE ASSOCIATION'S RESERVE
2123 STUDY. FAILURE TO FUND RESERVES CONSISTENT WITH THE
2124 ASSOCIATION'S RESERVE STUDY MAY RESULT IN UNANTICIPATED SPECIAL
2125 ASSESSMENTS REGARDING THOSE ITEMS.

2126 Section 21. Subsection (2) of section 558.002, Florida
2127 Statutes, is amended to read:

2128 558.002 Definitions.—As used in this chapter, the term:

2129 (2) "Association" has the same meaning as in s. 718.103(3)
2130 ~~s. 718.103(2)~~, s. 719.103(3) ~~s. 719.103(2)~~, s. 720.301(9), or s.
2131 723.075.

2132 Section 22. Subsection (2) of section 718.121, Florida
2133 Statutes, is amended to read:

2134 718.121 Liens.—

2135 (2) Labor performed on or materials furnished to a unit may
2136 not be the basis for the filing of a lien under part I of
2137 chapter 713, the Construction Lien Law, against the unit or
2138 condominium parcel of any unit owner not expressly consenting to
2139 or requesting the labor or materials. Labor performed on or
2140 materials furnished for the installation of a natural gas fuel
2141 station or an electric vehicle charging station under s.
2142 718.113(9) ~~s. 718.113(8)~~ may not be the basis for filing a lien
2143 under part I of chapter 713 against the association, but such a
2144 lien may be filed against the unit owner. Labor performed on or
2145 materials furnished to the common elements are not the basis for
2146 a lien on the common elements, but if authorized by the

580-02613-22

20227042__

2147 association, the labor or materials are deemed to be performed
2148 or furnished with the express consent of each unit owner and may
2149 be the basis for the filing of a lien against all condominium
2150 parcels in the proportions for which the owners are liable for
2151 common expenses.

2152 Section 23. Subsection (3) of section 718.706, Florida
2153 Statutes, is amended to read:

2154 718.706 Specific provisions pertaining to offering of units
2155 by a bulk assignee or bulk buyer.—

2156 (3) A bulk assignee, while in control of the board of
2157 administration of the association, may not authorize, on behalf
2158 of the association:

2159 (a) The waiver of reserves or the reduction of funding of
2160 the reserves pursuant to s. 718.112(2)(f)2., unless approved by
2161 a majority of the voting interests not controlled by the
2162 developer, bulk assignee, and bulk buyer; or

2163 (b) The use of reserve expenditures for other purposes
2164 pursuant to s. 718.112(2)(f)5. ~~s. 718.112(2)(f)3.~~, unless
2165 approved by a majority of the voting interests not controlled by
2166 the developer, bulk assignee, and bulk buyer.

2167 Section 24. Paragraph (d) of subsection (2) of section
2168 720.3085, Florida Statutes, is amended to read:

2169 720.3085 Payment for assessments; lien claims.—

2170 (2)

2171 (d) An association, or its successor or assignee, that
2172 acquires title to a parcel through the foreclosure of its lien
2173 for assessments is not liable for any unpaid assessments, late
2174 fees, interest, or reasonable attorney's fees and costs that
2175 came due before the association's acquisition of title in favor

580-02613-22

20227042__

2176 of any other association, as defined in s. 718.103(3) ~~s.~~
2177 ~~718.103(2)~~ or s. 720.301(9), which holds a superior lien
2178 interest on the parcel. This paragraph is intended to clarify
2179 existing law.

2180 Section 25. For the purpose of incorporating the amendment
2181 made by this act to section 718.1255, Florida Statutes, in a
2182 reference thereto, section 719.1255, Florida Statutes, is
2183 reenacted to read:

2184 719.1255 Alternative resolution of disputes.—The Division
2185 of Florida Condominiums, Timeshares, and Mobile Homes of the
2186 Department of Business and Professional Regulation shall provide
2187 for alternative dispute resolution in accordance with s.
2188 718.1255.

2189 Section 26. This act shall take effect July 1, 2022.