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LEGISLATIVE ACTION

Senate

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House

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Floor: 3/AD/2R

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04/11/2023 05:13 PM

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Senator Bradley moved the following:

Senate Amendment (with directory and title amendments)

Delete lines 524 - 996

and insert:

(e) *Budget meeting.*—

1. Any meeting at which a proposed annual budget of an association will be considered by the board or unit owners shall be open to all unit owners. At least 14 days prior to such a meeting, the board shall hand deliver to each unit owner, mail to each unit owner at the address last furnished to the association by the unit owner, or electronically transmit to the



12 location furnished by the unit owner for that purpose a notice
13 of such meeting and a copy of the proposed annual budget. An
14 officer or manager of the association, or other person providing
15 notice of such meeting, shall execute an affidavit evidencing
16 compliance with such notice requirement, and such affidavit
17 shall be filed among the official records of the association.

18 2.a. If a board adopts in any fiscal year an annual budget
19 which requires assessments against unit owners which exceed 115
20 percent of assessments for the preceding fiscal year, the board
21 shall conduct a special meeting of the unit owners to consider a
22 substitute budget if the board receives, within 21 days after
23 adoption of the annual budget, a written request for a special
24 meeting from at least 10 percent of all voting interests. The
25 special meeting shall be conducted within 60 days after adoption
26 of the annual budget. At least 14 days prior to such special
27 meeting, the board shall hand deliver to each unit owner, or
28 mail to each unit owner at the address last furnished to the
29 association, a notice of the meeting. An officer or manager of
30 the association, or other person providing notice of such
31 meeting shall execute an affidavit evidencing compliance with
32 this notice requirement, and such affidavit shall be filed among
33 the official records of the association. Unit owners may
34 consider and adopt a substitute budget at the special meeting. A
35 substitute budget is adopted if approved by a majority of all
36 voting interests unless the bylaws require adoption by a greater
37 percentage of voting interests. If there is not a quorum at the
38 special meeting or a substitute budget is not adopted, the
39 annual budget previously adopted by the board shall take effect
40 as scheduled.



41 b. Any determination of whether assessments exceed 115
42 percent of assessments for the prior fiscal year shall exclude
43 any authorized provision for reasonable reserves for repair or
44 replacement of the condominium property, anticipated expenses of
45 the association which the board does not expect to be incurred
46 on a regular or annual basis, insurance premiums, or assessments
47 for betterments to the condominium property.

48 c. If the developer controls the board, assessments shall
49 not exceed 115 percent of assessments for the prior fiscal year
50 unless approved by a majority of all voting interests.

51 (f) *Annual budget.*—

52 1. The proposed annual budget of estimated revenues and
53 expenses must be detailed and must show the amounts budgeted by
54 accounts and expense classifications, including, at a minimum,
55 any applicable expenses listed in s. 718.504(21). The board
56 shall adopt the annual budget at least 14 days before the start
57 of the association's fiscal year. In the event that the board
58 fails to timely adopt the annual budget a second time, it is
59 deemed a minor violation and the prior year's budget shall
60 continue in effect until a new budget is adopted. A
61 multicondominium association must adopt a separate budget of
62 common expenses for each condominium the association operates
63 and must adopt a separate budget of common expenses for the
64 association. In addition, if the association maintains limited
65 common elements with the cost to be shared only by those
66 entitled to use the limited common elements as provided for in
67 s. 718.113(1), the budget or a schedule attached to it must show
68 the amount budgeted for this maintenance. If, after turnover of
69 control of the association to the unit owners, any of the



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70 expenses listed in s. 718.504(21) are not applicable, they do
71 not need to be listed.

72 2.a. In addition to annual operating expenses, the budget
73 must include reserve accounts for capital expenditures and
74 deferred maintenance. These accounts must include, but are not
75 limited to, roof replacement, building painting, and pavement
76 resurfacing, regardless of the amount of deferred maintenance
77 expense or replacement cost, and any other item that has a
78 deferred maintenance expense or replacement cost that exceeds
79 \$10,000. ~~The amount to be reserved for an item is determined by~~
80 ~~the association's most recent structural integrity reserve study~~
81 ~~that must be completed by December 31, 2024. If the amount to be~~
82 ~~reserved for an item is not in the association's initial or most~~
83 ~~recent structural integrity reserve study or the association has~~
84 ~~not completed a structural integrity reserve study, the amount~~
85 must be computed using a formula based upon estimated remaining
86 useful life and estimated replacement cost or deferred
87 maintenance expense of the reserve item. In a budget adopted by
88 an association that is required to obtain a structural integrity
89 reserve study, reserves must be maintained for the items
90 identified in paragraph (g) for which the association is
91 responsible pursuant to the declaration of condominium, and the
92 reserve amount for such items must be based on the findings and
93 recommendations of the association's most recent structural
94 integrity reserve study. With respect to items for which an
95 estimate of useful life is not readily ascertainable or with an
96 estimated remaining useful life of greater than 25 years, an
97 association is not required to reserve replacement costs for
98 such items, but an association must reserve the amount of



99 deferred maintenance expense, if any, which is recommended by
100 the structural integrity reserve study for such items. The
101 association may adjust replacement reserve assessments annually
102 to take into account an inflation adjustment and any changes in
103 estimates or extension of the useful life of a reserve item
104 caused by deferred maintenance. The members of a unit-owner-
105 controlled association may determine, by a majority vote of the
106 total voting interests at a duly called meeting of the
107 association, to provide no reserves or less reserves than
108 required by this subsection. For a budget adopted on or after
109 ~~Effective~~ December 31, 2024, the members of a unit-owner-
110 controlled association that must obtain a structural integrity
111 reserve study may not determine to provide no reserves or less
112 reserves than required by this subsection for items listed in
113 paragraph (g), except that members of an association operating a
114 multicondominium may determine to provide no reserves or less
115 reserves than required by this subsection if an alternative
116 funding method has been approved by the division.

117 b. Before turnover of control of an association by a
118 developer to unit owners other than a developer under s.
119 718.301, the developer-controlled association may not vote to
120 waive the reserves or reduce funding of the reserves. If a
121 meeting of the unit owners has been called to determine whether
122 to waive or reduce the funding of reserves and no such result is
123 achieved or a quorum is not attained, the reserves included in
124 the budget shall go into effect. After the turnover, the
125 developer may vote its voting interest to waive or reduce the
126 funding of reserves.

127 3. Reserve funds and any interest accruing thereon shall



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128 remain in the reserve account or accounts, and may be used only
129 for authorized reserve expenditures unless their use for other
130 purposes is approved in advance by a majority vote of all the
131 total voting interests ~~at a duly called meeting~~ of the
132 association. Before turnover of control of an association by a
133 developer to unit owners other than the developer pursuant to s.
134 718.301, the developer-controlled association may not vote to
135 use reserves for purposes other than those for which they were
136 intended. For a budget adopted on or after ~~Effective~~ December
137 31, 2024, members of a unit-owner-controlled association that
138 must obtain a structural integrity reserve study may not vote to
139 use reserve funds, or any interest accruing thereon, ~~that are~~
140 ~~reserved for items listed in paragraph (g)~~ for any other purpose
141 other than the replacement or deferred maintenance costs of the
142 components listed in paragraph (g) ~~their intended purpose~~.

143 4. The only voting interests that are eligible to vote on
144 questions that involve waiving or reducing the funding of
145 reserves, or using existing reserve funds for purposes other
146 than purposes for which the reserves were intended, are the
147 voting interests of the units subject to assessment to fund the
148 reserves in question. Proxy questions relating to waiving or
149 reducing the funding of reserves or using existing reserve funds
150 for purposes other than purposes for which the reserves were
151 intended must contain the following statement in capitalized,
152 bold letters in a font size larger than any other used on the
153 face of the proxy ballot: **WAIVING OF RESERVES, IN WHOLE OR IN**
154 **PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY**
155 **RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED**
156 **SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.**



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157 (g) *Structural integrity reserve study.*—
158 1. A residential condominium ~~An~~ association must have a
159 structural integrity reserve study completed at least every 10
160 years after the condominium's creation for each building on the
161 condominium property that is three stories or higher in height
162 as determined by the Florida Building Code which includes, at a
163 minimum, a study of the following items as related to the
164 structural integrity and safety of the building:
165 a. Roof.
166 b. Structure, including load-bearing walls and ~~or~~ other
167 primary structural members and primary structural systems as
168 those terms are defined in s. 627.706.
169 c. ~~Floor.~~
170 d. ~~Foundation.~~
171 ~~e.~~ Fireproofing and fire protection systems.
172 ~~d.f.~~ Plumbing.
173 ~~e.g.~~ Electrical systems.
174 ~~f.h.~~ Waterproofing and exterior painting.
175 ~~g.i.~~ Windows and exterior doors.
176 ~~h.j.~~ Any other item that has a deferred maintenance expense
177 or replacement cost that exceeds \$10,000 and the failure to
178 replace or maintain such item negatively affects the items
179 listed in sub-subparagraphs a.-g. ~~sub-subparagraphs a.-i.~~, as
180 determined by the ~~licensed engineer or architect performing the~~
181 visual inspection portion of the structural integrity reserve
182 study.
183 2. A structural integrity reserve study is based on a
184 visual inspection of the condominium property. A structural
185 integrity reserve study may be performed by any person qualified



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186 to perform such study. However, the visual inspection portion of
187 the structural integrity reserve study must be performed or
188 verified by an engineer licensed under chapter 471, an architect
189 licensed under chapter 481, or a person certified as a reserve
190 specialist or professional reserve analyst by the Community
191 Associations Institute or the Association of Professional
192 Reserve Analysts.

193 3. At a minimum, a structural integrity reserve study must
194 identify each item of the condominium property being visually
195 inspected, state the estimated remaining useful life and the
196 estimated replacement cost or deferred maintenance expense of
197 each item of the condominium property being visually inspected,
198 and provide a reserve funding schedule with a recommended annual
199 reserve amount that achieves the estimated replacement cost or
200 deferred maintenance expense of each item of condominium
201 property being visually inspected by the end of the estimated
202 remaining useful life of the item. The structural integrity
203 reserve study may recommend that reserves do not need to be
204 maintained for any item for which an estimate of useful life and
205 an estimate of replacement cost cannot be determined, or the
206 study may recommend a deferred maintenance expense amount for
207 such item. The structural integrity reserve study may recommend
208 that reserves for replacement costs do not need to be maintained
209 for any item with an estimated remaining useful life of greater
210 than 25 years, but the study may recommend a deferred
211 maintenance expense amount for such item.

212 4. This paragraph does not apply to buildings less than
213 three stories in height; single-family, two-family, or three-
214 family dwellings with three or fewer habitable stories above



215 ground; any portion or component of a building that has not been
216 submitted to the condominium form of ownership; or any portion
217 or component of a building that is maintained by a party other
218 than the association.

219 5. Before a developer turns over control of an association
220 to unit owners other than the developer, the developer must have
221 a structural integrity reserve study completed for each building
222 on the condominium property that is three stories or higher in
223 height.

224 6.3. Associations existing on or before July 1, 2022, which
225 are controlled by unit owners other than the developer, must
226 have a structural integrity reserve study completed by December
227 31, 2024, for each building on the condominium property that is
228 three stories or higher in height. An association that is
229 required to complete a milestone inspection in accordance with
230 s. 553.899 on or before December 31, 2026, may complete the
231 structural integrity reserve study simultaneously with the
232 milestone inspection. In no event may the structural integrity
233 reserve study be completed after December 31, 2026.

234 7. If the milestone inspection required by s. 553.899, or
235 an inspection completed for a similar local requirement, was
236 performed within the past 5 years and meets the requirements of
237 this paragraph, such inspection may be used in place of the
238 visual inspection portion of the structural integrity reserve
239 study.

240 8.4. If the officers or directors of an association
241 willfully and knowingly fail fails to complete a structural
242 integrity reserve study pursuant to this paragraph, such failure
243 is a breach of an officer's and director's fiduciary



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244 relationship to the unit owners under s. 718.111(1).

245 (h) *Mandatory milestone inspections.*—If an association is
246 required to have a milestone inspection performed pursuant to s.
247 553.899, the association must arrange for the milestone
248 inspection to be performed and is responsible for ensuring
249 compliance with the requirements of s. 553.899. The association
250 is responsible for all costs associated with the milestone
251 inspection attributable to the portions of the building which
252 the association is responsible for maintaining under the
253 governing documents of the association. If the officers or
254 directors of an association willfully and knowingly fail to have
255 a milestone inspection performed pursuant to s. 553.899, such
256 failure is a breach of the officers' and directors' fiduciary
257 relationship to the unit owners under s. 718.111(1)(a). Within
258 14 days after receipt of a written notice from the local
259 enforcement agency that a milestone inspection is required, the
260 association must notify the unit owners of the required
261 milestone inspection and provide the date by which the milestone
262 inspection must be completed. Such notice may be given by
263 electronic submission to unit owners who consent to receive
264 notice by electronic submission or by posting on the
265 association's website. Within 45 days after receiving ~~upon~~
266 ~~completion of a phase one or phase two milestone inspection and~~
267 ~~receipt of the inspector prepared summary of the inspection~~
268 report from the architect or engineer who performed the
269 inspection, the association must distribute a copy of the
270 inspector-prepared summary of the inspection report to each unit
271 owner, regardless of the findings or recommendations in the
272 report, by United States mail or personal delivery at the



273 mailing address, property address, or any other address of the
274 owner provided to fulfill the association's notice requirements
275 under this chapter and by electronic transmission to the e-mail
276 address or facsimile number provided to fulfill the
277 association's notice requirements to unit owners who previously
278 consented to receive notice by electronic transmission; must
279 post a copy of the inspector-prepared summary in a conspicuous
280 place on the condominium property; and must publish the full
281 report and inspector-prepared summary on the association's
282 website, if the association is required to have a website.

283 Section 7. Effective July 1, 2027, subsection (5) of
284 section 718.1255, Florida Statutes, is amended, and paragraph
285 (d) is added to subsection (1) of that section, to read:

286 718.1255 Alternative dispute resolution; mediation;
287 nonbinding arbitration; applicability.—

288 (1) DEFINITIONS.—As used in this section, the term
289 “dispute” means any disagreement between two or more parties
290 that involves:

291 (d) The failure of a board of administration, when required
292 by this chapter or an association document, to:

293 1. Obtain the milestone inspection required under s.
294 553.899.

295 2. Obtain a structural integrity reserve study required
296 under s. 718.112(2)(g).

297 3. Fund reserves as required for an item identified in s.
298 718.112(2)(g).

299 4. Make or provide necessary maintenance or repairs of
300 condominium property recommended by a milestone inspection or a
301 structural integrity reserve study.



302
303 "Dispute" does not include any disagreement that primarily
304 involves: title to any unit or common element; the
305 interpretation or enforcement of any warranty; the levy of a fee
306 or assessment, or the collection of an assessment levied against
307 a party; the eviction or other removal of a tenant from a unit;
308 alleged breaches of fiduciary duty by one or more directors; or
309 claims for damages to a unit based upon the alleged failure of
310 the association to maintain the common elements or condominium
311 property.

312 (5) PRESUIT MEDIATION.—In lieu of the initiation of
313 nonbinding arbitration as provided in subsections (1)-(4), a
314 party may submit a dispute to presuit mediation in accordance
315 with s. 720.311; however, election and recall disputes are not
316 eligible for mediation and such disputes must be arbitrated by
317 the division or filed in a court of competent jurisdiction.
318 Disputes identified in paragraph (1)(d) are not subject to
319 nonbinding arbitration under subsection (4) and must be
320 submitted to presuit mediation in accordance with s. 720.311.

321 Section 8. Subsection (1) of section 718.113, Florida
322 Statutes, is amended to read:

323 718.113 Maintenance; limitation upon improvement; display
324 of flag; hurricane shutters and protection; display of religious
325 decorations.—

326 (1) Maintenance of the common elements is the
327 responsibility of the association, except for any maintenance
328 responsibility for limited common elements assigned to the unit
329 owner by the declaration. The association shall provide for the
330 maintenance, repair, and replacement of the condominium property



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331 for which it bears responsibility pursuant to the declaration of
332 condominium. After turnover of control of the association to the
333 unit owners, the association must perform any required
334 maintenance identified by the developer pursuant to s.
335 718.301(4) (p) and (q) until the association obtains new
336 maintenance protocols from a licensed professional engineer or
337 architect or a person certified as a reserve specialist or
338 professional reserve analyst by the Community Associations
339 Institute or the Association of Professional Reserve Analysts.
340 The declaration may provide that certain limited common elements
341 shall be maintained by those entitled to use the limited common
342 elements or that the association shall provide the maintenance,
343 either as a common expense or with the cost shared only by those
344 entitled to use the limited common elements. If the maintenance
345 is to be by the association at the expense of only those
346 entitled to use the limited common elements, the declaration
347 shall describe in detail the method of apportioning such costs
348 among those entitled to use the limited common elements, and the
349 association may use the provisions of s. 718.116 to enforce
350 payment of the shares of such costs by the unit owners entitled
351 to use the limited common elements.

352 Section 9. Present paragraphs (q) and (r) of subsection (4)
353 of section 718.301, Florida Statutes, are redesignated as
354 paragraphs (r) and (s), respectively, a new paragraph (q) is
355 added to that subsection, and paragraph (p) of that subsection
356 is amended, to read:

357 718.301 Transfer of association control; claims of defect
358 by association.—

359 (4) At the time that unit owners other than the developer



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360 elect a majority of the members of the board of administration
361 of an association, the developer shall relinquish control of the
362 association, and the unit owners shall accept control.
363 Simultaneously, or for the purposes of paragraph (c) not more
364 than 90 days thereafter, the developer shall deliver to the
365 association, at the developer's expense, all property of the
366 unit owners and of the association which is held or controlled
367 by the developer, including, but not limited to, the following
368 items, if applicable, as to each condominium operated by the
369 association:

370 (p) Notwithstanding when the certificate of occupancy was
371 issued or the height of the building, a structural integrity
372 reserve study ~~a milestone inspection report~~ in compliance with
373 s. 718.112(2)(g) ~~s. 553.899~~ included in the official records,
374 under seal of an architect or engineer authorized to practice in
375 this state or a person certified as a reserve specialist or
376 professional reserve analyst by the Community Associations
377 Institute or the Association of Professional Reserve Analysts,
378 and attesting to required maintenance, condition, useful life,
379 and replacement costs of the following applicable condominium
380 property comprising a turnover inspection report:

- 381 1. Roof.
- 382 2. Structure, including load-bearing walls and primary
383 structural members and primary structural systems as those terms
384 are defined in s. 627.706.
- 385 3. Fireproofing and fire protection systems.
- 386 4. Plumbing ~~Elevators~~.
- 387 5. Electrical systems ~~Heating and cooling systems~~.
- 388 6. Waterproofing and exterior painting ~~Plumbing~~.



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389 7. Windows and exterior doors ~~Electrical systems.~~

390 ~~8. Swimming pool or spa and equipment.~~

391 ~~9. Seawalls.~~

392 ~~10. Pavement and parking areas.~~

393 ~~11. Drainage systems.~~

394 ~~12. Painting.~~

395 ~~13. Irrigation systems.~~

396 ~~14. Waterproofing.~~

397 (q) Notwithstanding when the certificate of occupancy was
398 issued or the height of the building, a turnover inspection
399 report included in the official records, under seal of an
400 architect or engineer authorized to practice in this state or a
401 person certified as a reserve specialist or professional reserve
402 analyst by the Community Associations Institute or the
403 Association of Professional Reserve Analysts, and attesting to
404 required maintenance, condition, useful life, and replacement
405 costs of the following applicable condominium property
406 comprising a turnover inspection report:

407 1. Elevators.

408 2. Heating and cooling systems.

409 3. Swimming pool or spa and equipment.

410 4. Seawalls.

411 5. Pavement and parking areas.

412 6. Drainage systems.

413 7. Irrigation systems.

414 Section 10. Paragraph (b) of subsection (1) and paragraph
415 (a) of subsection (2) of section 718.503, Florida Statutes, are
416 amended, and paragraph (d) is added to subsection (1) and
417 paragraph (e) is added to subsection (2) of that section, to



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418 read:

419 718.503 Developer disclosure prior to sale; nondeveloper
420 unit owner disclosure prior to sale; voidability.—

421 (1) DEVELOPER DISCLOSURE.—

422 (b) *Copies of documents to be furnished to prospective*
423 *buyer or lessee.*—Until such time as the developer has furnished
424 the documents listed below to a person who has entered into a
425 contract to purchase a residential unit or lease it for more
426 than 5 years, the contract may be voided by that person,
427 entitling the person to a refund of any deposit together with
428 interest thereon as provided in s. 718.202. The contract may be
429 terminated by written notice from the proposed buyer or lessee
430 delivered to the developer within 15 days after the buyer or
431 lessee receives all of the documents required by this section.
432 The developer may not close for 15 days after the execution of
433 the agreement and delivery of the documents to the buyer as
434 evidenced by a signed receipt for documents unless the buyer is
435 informed in the 15-day voidability period and agrees to close
436 before the expiration of the 15 days. The developer shall retain
437 in his or her records a separate agreement signed by the buyer
438 as proof of the buyer's agreement to close before the expiration
439 of the voidability period. The developer must retain such proof
440 for a period of 5 years after the date of the closing of the
441 transaction. The documents to be delivered to the prospective
442 buyer are the prospectus or disclosure statement with all
443 exhibits, if the development is subject to s. 718.504, or, if
444 not, then copies of the following which are applicable:

445 1. The question and answer sheet described in s. 718.504,
446 and declaration of condominium, or the proposed declaration if



447 the declaration has not been recorded, which shall include the
448 certificate of a surveyor approximately representing the
449 locations required by s. 718.104.

450 2. The documents creating the association.

451 3. The bylaws.

452 4. The ground lease or other underlying lease of the
453 condominium.

454 5. The management contract, maintenance contract, and other
455 contracts for management of the association and operation of the
456 condominium and facilities used by the unit owners having a
457 service term in excess of 1 year, and any management contracts
458 that are renewable.

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

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

466 8. The lease of recreational and other common facilities
467 that will be used by unit owners in common with unit owners of
468 other condominiums.

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

470 10. Any declaration of servitude of properties serving the
471 condominium but not owned by unit owners or leased to them or
472 the association.

473 11. If the development is to be built in phases or if the
474 association is to manage more than one condominium, a
475 description of the plan of phase development or the arrangements



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476 for the association to manage two or more condominiums.

477 12. If the condominium is a conversion of existing
478 improvements, the statements and disclosure required by s.
479 718.616.

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

481 14. A copy of the floor plan of the unit and the plot plan
482 showing the location of the residential buildings and the
483 recreation and other common areas.

484 15. A copy of all covenants and restrictions that will
485 affect the use of the property and are not contained in the
486 foregoing.

487 16. If the developer is required by state or local
488 authorities to obtain acceptance or approval of any dock or
489 marina facilities intended to serve the condominium, a copy of
490 any such acceptance or approval acquired by the time of filing
491 with the division under s. 718.502(1), or a statement that such
492 acceptance or approval has not been acquired or received.

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

496 18. A copy of the inspector-prepared summary of the
497 milestone inspection report as described in s. 553.899, or a
498 statement in conspicuous type indicating that the required
499 milestone inspection described in s. 553.899 has not been
500 completed or that a milestone inspection is not required, as
501 applicable ~~ss. 553.899 and 718.301(4) (p)~~.

502 19. A copy of the ~~association's~~ most recent structural
503 integrity reserve study, or a statement in conspicuous type
504 indicating that ~~the association has not completed~~ a required



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505 structural integrity reserve study has not been completed or
506 that a structural integrity reserve study is not required, as
507 applicable.

508 20. A copy of the turnover inspection report described in
509 s. 718.301(4) (p) and (q) or a statement in conspicuous type
510 indicating that a turnover inspection report has not been
511 completed, as applicable.

512 (d) Milestone inspection, turnover inspection report, or
513 structural integrity reserve study.—If the association is
514 required to have completed a milestone inspection as described
515 in s. 553.899, a turnover inspection report for a turnover
516 inspection performed on or after July 1, 2023, or a structural
517 integrity reserve study, and the association has not completed
518 the milestone inspection, the turnover inspection report, or the
519 structural integrity reserve study, each contract entered into
520 after December 31, 2024, for the sale of a residential unit
521 shall contain in conspicuous type a statement indicating that
522 the association is required to have a milestone inspection, a
523 turnover inspection report, or a structural integrity reserve
524 study and has not completed such inspection, report, or study,
525 as appropriate. If the association is not required to have a
526 milestone inspection as described in s. 553.899 or a structural
527 integrity reserve study, each contract entered into after
528 December 31, 2024, for the sale of a residential unit shall
529 contain in conspicuous type a statement indicating that the
530 association is not required to have a milestone inspection or a
531 structural integrity reserve study, as appropriate. If the
532 association has completed a milestone inspection as described in
533 s. 553.899, a turnover inspection report for a turnover



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534 inspection performed on or after July 1, 2023, or a structural
535 integrity reserve study, each contract entered into after
536 December 31, 2024, for the sale of a residential unit shall
537 contain in conspicuous type:

538 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES
539 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE INSPECTOR-
540 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED
541 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF
542 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION
543 718.301(4) (p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A
544 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY
545 RESERVE STUDY DESCRIBED IN SECTIONS 718.103(26) AND
546 718.112(2) (g), FLORIDA STATUTES, IF APPLICABLE, MORE THAN 15
547 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO
548 EXECUTION OF THIS CONTRACT; and

549 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY
550 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO
551 CANCEL WITHIN 15 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL
552 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE
553 BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE INSPECTOR-
554 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED
555 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF
556 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION
557 718.301(4) (p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A
558 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY
559 RESERVE STUDY DESCRIBED IN SECTIONS 718.103(26) AND
560 718.112(2) (g), FLORIDA STATUTES, IF APPLICABLE. ANY PURPORTED
561 WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER
562 MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15



563 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER
564 THE BUYER RECEIVES A CURRENT COPY OF THE INSPECTOR-PREPARED
565 SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED IN
566 SECTION 553.899, FLORIDA STATUTES; A COPY OF THE TURNOVER
567 INSPECTION REPORT DESCRIBED IN SECTION 718.301(4) (p) AND (q),
568 FLORIDA STATUTES; OR A COPY OF THE ASSOCIATION'S MOST RECENT
569 STRUCTURAL INTEGRITY RESERVE STUDY DESCRIBED IN SECTIONS
570 718.103(26) AND 718.112(2) (g), FLORIDA STATUTES, IF REQUESTED IN
571 WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT
572 CLOSING.

573
574 A contract that does not conform to the requirements of this
575 paragraph is voidable at the option of the purchaser prior to
576 closing.

577 (2) NONDEVELOPER DISCLOSURE.—

578 (a) Each unit owner who is not a developer as defined by
579 this chapter must comply with this subsection before the sale of
580 his or her unit. Each prospective purchaser who has entered into
581 a contract for the purchase of a condominium unit is entitled,
582 at the seller's expense, to a current copy of all of the
583 following:

- 584 1. The declaration of condominium.
- 585 2. Articles of incorporation of the association.
- 586 3. Bylaws and rules of the association.
- 587 4. Financial information required by s. 718.111.
- 588 5. A copy of the inspector-prepared summary of the
589 milestone inspection report as described in s. 553.899 ~~ss.~~
590 ~~553.899 and 718.301(4) (p)~~, if applicable.
- 591 6. The association's most recent structural integrity



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592 reserve study or a statement that the association has not
593 completed a structural integrity reserve study.

594 7. A copy of the inspection report described in s.
595 718.301(4) (p) and (q) for a turnover inspection performed on or
596 after July 1, 2023.

597 8. The document entitled "Frequently Asked Questions and
598 Answers" required by s. 718.504.

599 (e) If the association is required to have completed a
600 milestone inspection as described in s. 553.899, a turnover
601 inspection report for a turnover inspection performed on or
602 after July 1, 2023, or a structural integrity reserve study, and
603 the association has not completed the milestone inspection, the
604 turnover inspection report, or the structural integrity reserve
605 study, each contract entered into after December 31, 2024, for
606 the sale of a residential unit shall contain in conspicuous type
607 a statement indicating that the association is required to have
608 a milestone inspection, a turnover inspection report, or a
609 structural integrity reserve study and has not completed such
610 inspection, report, or study, as appropriate. If the association
611 is not required to have a milestone inspection as described in
612 s. 553.899 or a structural integrity reserve study, each
613 contract entered into after December 31, 2024, for the sale of a
614 residential unit shall contain in conspicuous type a statement
615 indicating that the association is not required to have a
616 milestone inspection or a structural integrity reserve study, as
617 appropriate. If the association has completed a milestone
618 inspection as described in s. 553.899, a turnover inspection
619 report for a turnover inspection performed on or after July 1,
620 2023, or a structural integrity reserve study, each contract



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621 entered into after December 31, 2024, for the resale of a
622 residential unit shall contain in conspicuous type:

623 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES
624 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE INSPECTOR-
625 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED
626 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF
627 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION
628 718.301(4)(p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A
629 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY
630 RESERVE STUDY DESCRIBED IN SECTIONS 718.103(26) AND
631 718.112(2)(g), FLORIDA STATUTES, IF APPLICABLE, MORE THAN 3
632 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO
633 EXECUTION OF THIS CONTRACT; and

634 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY
635 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO
636 CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL
637 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE
638 BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE INSPECTOR-
639 PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED
640 IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF
641 THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION
642 718.301(4)(p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A
643 COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY
644 RESERVE STUDY DESCRIBED IN SECTIONS 718.103(26) AND
645 718.112(2)(g), FLORIDA STATUTES, IF APPLICABLE. ANY PURPORTED
646 WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER
647 MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 3
648 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER
649 THE BUYER RECEIVES A CURRENT COPY OF THE INSPECTOR-PREPARED



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650 SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED IN
651 SECTION 553.899, FLORIDA STATUTES; A COPY OF THE TURNOVER
652 INSPECTION REPORT DESCRIBED IN SECTION 718.301(4) (p) AND (q),
653 FLORIDA STATUTES; OR A COPY OF THE ASSOCIATION'S MOST RECENT
654 STRUCTURAL INTEGRITY RESERVE STUDY DESCRIBED IN SECTIONS
655 718.103(26) AND 718.112(2) (g) FLORIDA STATUTES, IF REQUESTED IN
656 WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT
657 CLOSING.

658
659 A contract that does not conform to the requirements of this
660 paragraph is voidable at the option of the purchaser prior to
661 closing.

662 Section 11. Paragraph (a) of subsection (7) and paragraph
663 (c) of subsection (21) of section 718.504, Florida Statutes, are
664 amended to read:

665 718.504 Prospectus or offering circular.—Every developer of
666 a residential condominium which contains more than 20
667 residential units, or which is part of a group of residential
668 condominiums which will be served by property to be used in
669 common by unit owners of more than 20 residential units, shall
670 prepare a prospectus or offering circular and file it with the
671 Division of Florida Condominiums, Timeshares, and Mobile Homes
672 prior to entering into an enforceable contract of purchase and
673 sale of any unit or lease of a unit for more than 5 years and
674 shall furnish a copy of the prospectus or offering circular to
675 each buyer. In addition to the prospectus or offering circular,
676 each buyer shall be furnished a separate page entitled
677 "Frequently Asked Questions and Answers," which shall be in
678 accordance with a format approved by the division and a copy of



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679 the financial information required by s. 718.111. This page
680 shall, in readable language, inform prospective purchasers
681 regarding their voting rights and unit use restrictions,
682 including restrictions on the leasing of a unit; shall indicate
683 whether and in what amount the unit owners or the association is
684 obligated to pay rent or land use fees for recreational or other
685 commonly used facilities; shall contain a statement identifying
686 that amount of assessment which, pursuant to the budget, would
687 be levied upon each unit type, exclusive of any special
688 assessments, and which shall further identify the basis upon
689 which assessments are levied, whether monthly, quarterly, or
690 otherwise; shall state and identify any court cases in which the
691 association is currently a party of record in which the
692 association may face liability in excess of \$100,000; and which
693 shall further state whether membership in a recreational
694 facilities association is mandatory, and if so, shall identify
695 the fees currently charged per unit type. The division shall by
696 rule require such other disclosure as in its judgment will
697 assist prospective purchasers. The prospectus or offering
698 circular may include more than one condominium, although not all
699 such units are being offered for sale as of the date of the
700 prospectus or offering circular. The prospectus or offering
701 circular must contain the following information:

702 (7) A description of the recreational and other facilities
703 that will be used in common with other condominiums, community
704 associations, or planned developments which require the payment
705 of the maintenance and expenses of such facilities, directly or
706 indirectly, by the unit owners. The description shall include,
707 but not be limited to, the following:



708 (a) Each building and facility committed to be built and a
709 summary description of the structural integrity of each building
710 for which reserves are required pursuant to s. 718.112(2)(g).

711
712 Descriptions shall include location, areas, capacities, numbers,
713 volumes, or sizes and may be stated as approximations or
714 minimums.

715 (21) An estimated operating budget for the condominium and
716 the association, and a schedule of the unit owner's expenses
717 shall be attached as an exhibit and shall contain the following
718 information:

719 (c) The estimated items of expenses of the condominium and
720 the association, except as excluded under paragraph (b),
721 including, but not limited to, the following items, which shall
722 be stated as an association expense collectible by assessments
723 or as unit owners' expenses payable to persons other than the
724 association:

- 725 1. Expenses for the association and condominium:
726 a. Administration of the association.
727 b. Management fees.
728 c. Maintenance.
729 d. Rent for recreational and other commonly used
730 facilities.
731 e. Taxes upon association property.
732 f. Taxes upon leased areas.
733 g. Insurance.
734 h. Security provisions.
735 i. Other expenses.
736 j. Operating capital.



737 k. Reserves for all applicable items referenced in s.
738 718.112(2)(g).
739 1. Fees payable to the division.
740 2. Expenses for a unit owner:
741 a. Rent for the unit, if subject to a lease.
742 b. Rent payable by the unit owner directly to the lessor or
743 agent under any recreational lease or lease for the use of
744 commonly used facilities, which use and payment is a mandatory
745 condition of ownership and is not included in the common expense
746 or assessments for common maintenance paid by the unit owners to
747 the association.

748
749 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====
750 And the directory clause is amended as follows:
751 Delete line 518
752 and insert:
753 Section 12. Paragraphs (e), (f), (g), and (h) of subsection
754 (2)

755
756 ===== T I T L E A M E N D M E N T =====
757 And the title is amended as follows:
758 Delete lines 45 - 65
759 and insert:
760 requirements relating to budget meetings; revising
761 condominium association reserve account requirements;
762 revising requirements relating to waiving reserve
763 requirements or providing less reserves than required
764 by law; revising requirements relating to using
765 reserve funds or interest accrued on reserve funds for



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766 certain purposes; revising requirements for structural
767 integrity reserve studies and mandatory milestone
768 inspections; providing applicability; conforming
769 provisions to changes made by the act; amending s.
770 718.1255, F.S.; revising the definition of the term
771 "dispute"; specifying that certain disputes are not
772 subject to nonbinding arbitration and must be
773 submitted to presuit mediation; amending s. 718.113,
774 F.S.; revising requirements relating to maintenance,
775 repair, and replacement of common elements and
776 condominium property; amending s. 718.301, F.S.;
777 revising items that developers are required to deliver
778 to an association upon relinquishing control of the
779 association; amending s. 718.503, F.S.; revising the
780 documents developers are required to provide to
781 prospective buyers or lessees; revising the documents
782 that prospective purchasers are entitled to when
783 purchasing a condominium unit from a unit owner;
784 requiring specified disclosures relating to milestone
785 inspections, turnover inspection reports, and
786 structural integrity reserve studies for certain
787 contracts entered into after a specified date;
788 amending s. 718.504, F.S.; revising requirements for
789 prospectuses and offering circulars; amending s.
790 719.103, F.S.; revising the