

FOR CONSIDERATION By the Committee on Regulated Industries

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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.

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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

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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";

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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.;

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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.;

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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

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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.

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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

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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, and
239 financial reports of the association or condominium.

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

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

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

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

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

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

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

260 18. All other written records of the association not
261 specifically included in the foregoing which are related to the

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262 operation of the association.

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

288 2. Any person who knowingly or intentionally defaces or
289 destroys accounting records that are required by this chapter to
290 be maintained during the period for which such records are

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

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

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

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

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

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

334 d. Medical records of unit owners.

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

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

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

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

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

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

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

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

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

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378 activities and on which required notices, records, and documents
379 may be posted or made available by the association.

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

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

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

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

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

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

402 d. The rules of the association.

403 e. A list of all executory contracts or documents to which
404 the association is a party or under which the association or the
405 unit owners have an obligation or responsibility and, after
406 bidding for the related materials, equipment, or services has

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

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

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

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

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

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

427 k. The notice of any unit owner meeting and the agenda for
428 the meeting, as required by s. 718.112(2)(d)3., no later than 14
429 days before the meeting. The notice must be posted in plain view
430 on the front page of the website or application, or on a
431 separate subpage of the website or application labeled "Notices"
432 which is conspicuously visible and linked from the front page.
433 The association must also post on its website or application any
434 document to be considered and voted on by the owners during the
435 meeting or any document listed on the agenda at least 7 days

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436 before the meeting at which the document or the information
437 within the document will be considered.

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

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

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

446 3. The association shall ensure that the information and
447 records described in paragraph (c), which are not allowed to be
448 accessible to unit owners, are not posted on the association's
449 website or application. If protected information or information
450 restricted from being accessible to unit owners is included in
451 documents that are required to be posted on the association's
452 website or application, the association shall ensure the
453 information is redacted before posting the documents.

454 Notwithstanding the foregoing, the association or its agent is
455 not liable for disclosing information that is protected or
456 restricted under this paragraph unless such disclosure was made
457 with a knowing or intentional disregard of the protected or
458 restricted nature of such information.

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

463 (13) FINANCIAL REPORTING.—Within 90 days after the end of
464 the fiscal year, or annually on a date provided in the bylaws,

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

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494 annual revenues, as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

539

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

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552 assignment of developer rights in favor of the grantee of such
553 unit is recorded, whichever occurs first. Thereafter, all unit
554 owners except the developer may vote on such issues until
555 control is turned over to the association by the developer. Any
556 audit or review prepared under this section shall be paid for by
557 the developer if done before turnover of control of the
558 association.

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

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

580 718.112 Bylaws.—

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

584 (f) *Annual budget.*—

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

605 2.a. In addition to annual operating expenses, the budget
606 must include reserve accounts for capital expenditures and
607 deferred maintenance. These accounts must include, but are not
608 limited to, the maintenance and replacement of the association
609 property identified in s. 718.301(4)(p) ~~roof replacement,~~

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

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

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

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

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668 reserves, as appropriate. The division shall adopt rules setting
669 forth uniform standards and forms for reserve studies. The
670 reserve study must include, without limitation:

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

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

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

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

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

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

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

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

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

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

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

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

723 5.3- Reserve funds and any interest accruing thereon shall
724 remain in the reserve account or accounts, and may be used only
725 for authorized reserve expenditures unless their use for other

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

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

751 b. If the budget of the association provides for funding
752 accounts for deferred expenditures, including, but not limited
753 to, funds for capital expenditures and deferred maintenance, but
754 the association has voted to waive reserves or to use existing

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

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

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

780 718.1123 Mandatory structural inspections.-

781 (1) The Legislature finds that maintaining the structural
782 integrity of a condominium building throughout its service life
783 is of paramount importance in order to ensure that buildings are

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

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

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

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

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

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

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

838 (b) Phase two of the milestone inspection must be performed
839 if any structural distress is identified during phase one. Only
840 a special inspector as defined in s. 553.71 may perform a phase
841 two inspection. A phase two inspection may involve destructive

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842 or nondestructive testing at the special inspector's direction.
843 The inspection may be as extensive or as limited as necessary to
844 fully assess damaged areas of the building in order to confirm
845 that the building is safe for its intended use or to recommend a
846 program for fully assessing and repairing damaged portions of
847 the building. When determining testing locations, the special
848 inspector must give preference to locations that are the least
849 disruptive and most easily repairable while still being
850 representative of the structure. A special inspector who
851 completes the second phase of a milestone inspection shall
852 prepare and submit an inspection report pursuant to subsection
853 (6).

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

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

866 (8) An association shall comply with structural and life
867 safety standards for maintenance and inspections adopted by the
868 Florida Building Commission.

869 Section 5. Present subsections (4) through (9) of section
870 718.113, Florida Statutes, are redesignated as subsections (5)

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871 through (10), respectively, a new subsection (4) is added to
872 that section, and subsections (1) and (2) of that section are
873 amended, to read:

874 718.113 Maintenance; limitation upon improvement; display
875 of flag; hurricane shutters and protection; display of religious
876 decorations.—

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

897 (2) (a) Except as otherwise provided in this section, there
898 shall be no material alteration or substantial additions to the
899 common elements or to real property which is association

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900 property, except in a manner provided in the declaration as
901 originally recorded or as amended under the procedures provided
902 therein. If the declaration as originally recorded or as amended
903 under the procedures provided therein does not specify the
904 procedure for approval of material alterations or substantial
905 additions, 75 percent of the total voting interests of the
906 association must approve the alterations or additions before the
907 material alterations or substantial additions are commenced.
908 This paragraph is intended to clarify existing law and applies
909 to associations existing on July 1, 2018.

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

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929 July 1, 2018.

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

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

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

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

953 718.115 Common expenses and common surplus.—

954 (1) (a) Common expenses include the expenses of the
955 operation, maintenance, repair, replacement, or protection of
956 the common elements and association property, costs of carrying
957 out the powers and duties of the association, and any other

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

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987 association property.

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

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

1035 Section 7. Paragraph (b) of subsection (1) of section
1036 718.116, Florida Statutes, is amended, and paragraphs (j) and
1037 (k) are added to subsection (8) of that section, to read:

1038 718.116 Assessments; liability; lien and priority;
1039 interest; collection.—

1040 (1)

1041 (b)1. The liability of a first mortgagee or its successor
1042 or assignees who acquire title to a unit by foreclosure or by
1043 deed in lieu of foreclosure for the unpaid assessments that
1044 became due before the mortgagee's acquisition of title is

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1045 limited to the lesser of:

1046 a. The unit's unpaid common expenses and regular periodic
1047 assessments which accrued or came due during the 12 months
1048 immediately preceding the acquisition of title and for which
1049 payment in full has not been received by the association; or

1050 b. One percent of the original mortgage debt. The
1051 provisions of this paragraph apply only if the first mortgagee
1052 joined the association as a defendant in the foreclosure action.
1053 Joinder of the association is not required if, on the date the
1054 complaint is filed, the association was dissolved or did not
1055 maintain an office or agent for service of process at a location
1056 which was known to or reasonably discoverable by the mortgagee.

1057 2. An association, or its successor or assignee, that
1058 acquires title to a unit through the foreclosure of its lien for
1059 assessments is not liable for any unpaid assessments, late fees,
1060 interest, or reasonable attorney's fees and costs that came due
1061 before the association's acquisition of title in favor of any
1062 other association, as defined in s. 718.103(3) ~~s. 718.103(2)~~ or
1063 s. 720.301(9), which holds a superior lien interest on the unit.
1064 This subparagraph is intended to clarify existing law.

1065 (8) Within 10 business days after receiving a written or
1066 electronic request therefor from a unit owner or the unit
1067 owner's designee, or a unit mortgagee or the unit mortgagee's
1068 designee, the association shall issue the estoppel certificate.
1069 Each association shall designate on its website a person or
1070 entity with a street or e-mail address for receipt of a request
1071 for an estoppel certificate issued pursuant to this section. The
1072 estoppel certificate must be provided by hand delivery, regular
1073 mail, or e-mail to the requestor on the date of issuance of the

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1074 estoppel certificate.

1075 (j) If the budget of the association provides for funding
1076 accounts for deferred expenditures, including, but not limited
1077 to, funds for capital expenditures and deferred maintenance, but
1078 the association has voted to waive reserves or to use existing
1079 reserve funds for purposes other than purposes for which the
1080 reserves were intended, the estoppel certificate must also
1081 contain the following statement in conspicuous type: THE OWNERS
1082 HAVE ELECTED TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED
1083 ALTERNATIVE USES OF EXISTING RESERVES UNDER SECTION
1084 718.112(2)(f), FLORIDA STATUTES. THE WAIVING OR ALTERNATIVE USE
1085 OF RESERVE FUNDS MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT
1086 OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1087 (k) If the association is required to perform a reserve
1088 study under section 718.112(2)(f) and the budget of the
1089 association does not fund the association's reserve obligations
1090 consistent with the reserve study currently in effect or the
1091 association has not provided an alternative funding method for
1092 the association's reserve obligations, the estoppel certificate
1093 must also contain the following statement in conspicuous type:
1094 THE BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO
1095 SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER
1096 SECTION 718.112(2)(f), FLORIDA STATUTES. THE BUDGET OF THE
1097 ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS
1098 FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT
1099 WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES
1100 CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN
1101 UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1102 Section 8. Subsection (1) of section 718.1255, Florida

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1103 Statutes, is amended to read:

1104 718.1255 Alternative dispute resolution; mediation;
1105 nonbinding arbitration; applicability.-

1106 (1) DEFINITIONS.-As used in this section, the term
1107 "dispute" means any disagreement between two or more parties
1108 that involves:

1109 (a) The authority of the board of directors, under this
1110 chapter or association document, to:

1111 1. Require any owner to take any action, or not to take any
1112 action, involving that owner's unit or the appurtenances
1113 thereto.

1114 2. Alter or add to a common area or element.

1115 (b) The failure of a governing body, when required by this
1116 chapter or an association document, to:

1117 1. Properly conduct elections.

1118 2. Give adequate notice of meetings or other actions.

1119 3. Properly conduct meetings.

1120 4. Allow inspection of books and records.

1121 (c) A plan of termination pursuant to s. 718.117.

1122 (d) The failure of a governing body, when required by this
1123 chapter or an association document, to:

1124 1. Perform a structural or life safety inspection,
1125 including the milestone inspection required under s. 718.1123.

1126 2. Perform a reserve study.

1127 3. Fund reserves.

1128 4. Make or provide necessary maintenance or repairs of
1129 association property.

1130

1131 "Dispute" does not include any disagreement that primarily

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1132 involves: title to any unit or common element; the
1133 interpretation or enforcement of any warranty; the levy of a fee
1134 or assessment, or the collection of an assessment levied against
1135 a party; the eviction or other removal of a tenant from a unit;
1136 alleged breaches of fiduciary duty by one or more directors; or
1137 claims for damages to a unit based upon the alleged failure of
1138 the association to maintain the common elements or condominium
1139 property.

1140 Section 9. Paragraph (p) of subsection (4) of section
1141 718.301, Florida Statutes, is amended to read:

1142 718.301 Transfer of association control; claims of defect
1143 by association.—

1144 (4) At the time that unit owners other than the developer
1145 elect a majority of the members of the board of administration
1146 of an association, the developer shall relinquish control of the
1147 association, and the unit owners shall accept control.
1148 Simultaneously, or for the purposes of paragraph (c) not more
1149 than 90 days thereafter, the developer shall deliver to the
1150 association, at the developer's expense, all property of the
1151 unit owners and of the association which is held or controlled
1152 by the developer, including, but not limited to, the following
1153 items, if applicable, as to each condominium operated by the
1154 association:

1155 (p) A report included in the official records, under seal
1156 of an architect or engineer authorized to practice in this
1157 state, attesting to required maintenance, condition, useful
1158 life, and replacement costs of the following applicable
1159 association property ~~common elements~~ comprising a turnover
1160 inspection report:

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- 1161 1. Roof.
1162 2. Structure.
1163 3. Fireproofing and fire protection systems.
1164 4. Elevators.
1165 5. Heating and cooling systems.
1166 6. Plumbing.
1167 7. Electrical systems.
1168 8. Swimming pool or spa and equipment.
1169 9. Seawalls.
1170 10. Pavement and parking areas.
1171 11. Drainage systems.
1172 12. Painting.
1173 13. Irrigation systems.
1174 14. Waterproofing.

1175 Section 10. Paragraph (b) of subsection (1) of section
1176 718.503, Florida Statutes, is amended, and paragraph (d) is
1177 added to subsection (2) of that section, to read:

1178 718.503 Developer disclosure prior to sale; nondeveloper
1179 unit owner disclosure prior to sale; voidability.—

1180 (1) DEVELOPER DISCLOSURE.—

1181 (b) *Copies of documents to be furnished to prospective*
1182 *buyer or lessee.*—Until such time as the developer has furnished
1183 the documents listed below to a person who has entered into a
1184 contract to purchase a residential unit or lease it for more
1185 than 5 years, the contract may be voided by that person,
1186 entitling the person to a refund of any deposit together with
1187 interest thereon as provided in s. 718.202. The contract may be
1188 terminated by written notice from the proposed buyer or lessee
1189 delivered to the developer within 15 days after the buyer or

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

1206 1. The question and answer sheet described in s. 718.504,
1207 and declaration of condominium, or the proposed declaration if
1208 the declaration has not been recorded, which shall include the
1209 certificate of a surveyor approximately representing the
1210 locations required by s. 718.104.

1211 2. The documents creating the association.

1212 3. The bylaws.

1213 4. The ground lease or other underlying lease of the
1214 condominium.

1215 5. The management contract, maintenance contract, and other
1216 contracts for management of the association and operation of the
1217 condominium and facilities used by the unit owners having a
1218 service term in excess of 1 year, and any management contracts

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1219 that are renewable.

1220 6. The estimated operating budget for the condominium and a
1221 schedule of expenses for each type of unit, including fees
1222 assessed pursuant to s. 718.113(1) for the maintenance of
1223 limited common elements where such costs are shared only by
1224 those entitled to use the limited common elements.

1225 7. The lease of recreational and other facilities that will
1226 be used only by unit owners of the subject condominium.

1227 8. The lease of recreational and other common facilities
1228 that will be used by unit owners in common with unit owners of
1229 other condominiums.

1230 9. The form of unit lease if the offer is of a leasehold.

1231 10. Any declaration of servitude of properties serving the
1232 condominium but not owned by unit owners or leased to them or
1233 the association.

1234 11. If the development is to be built in phases or if the
1235 association is to manage more than one condominium, a
1236 description of the plan of phase development or the arrangements
1237 for the association to manage two or more condominiums.

1238 12. If the condominium is a conversion of existing
1239 improvements, the statements and disclosure required by s.
1240 718.616.

1241 13. The form of agreement for sale or lease of units.

1242 14. A copy of the floor plan of the unit and the plot plan
1243 showing the location of the residential buildings and the
1244 recreation and other common areas.

1245 15. A copy of all covenants and restrictions that ~~which~~
1246 will affect the use of the property and ~~which~~ are not contained
1247 in the foregoing.

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1248 16. If the developer is required by state or local
1249 authorities to obtain acceptance or approval of any dock or
1250 marina facilities intended to serve the condominium, a copy of
1251 any such acceptance or approval acquired by the time of filing
1252 with the division under s. 718.502(1), or a statement that such
1253 acceptance or approval has not been acquired or received.

1254 17. Evidence demonstrating that the developer has an
1255 ownership, leasehold, or contractual interest in the land upon
1256 which the condominium is to be developed.

1257 18. A copy of the reserve study required under s.
1258 718.112(2)(f), along with a report or financial statement
1259 indicating the status of the reserves.

1260 (2) NONDEVELOPER DISCLOSURE.—

1261 (d) If the building in which the condominium unit is
1262 located is subject to the reserve study requirements in s.
1263 718.112(2)(f) and the milestone inspection requirements in s.
1264 718.1123, each contract for the resale of a residential unit
1265 must contain in conspicuous type either:

1266 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES
1267 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE MOST RECENT
1268 RESERVE STUDY REQUIRED BY SECTION 718.112, FLORIDA STATUTES, AND
1269 ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 718.1123,
1270 FLORIDA STATUTES, MORE THAN 3 DAYS, EXCLUDING SATURDAYS,
1271 SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF THIS
1272 CONTRACT; or

1273 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY
1274 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO
1275 CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL
1276 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE

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

1289
1290 A contract that does not conform to the requirements of this
1291 paragraph is voidable at the option of the purchaser prior to
1292 closing.

1293 Section 11. Present subsections (22) through (28) of
1294 section 718.504, Florida Statutes, are redesignated as
1295 subsections (23) through (29), respectively, and a new
1296 subsection (22) is added to that section, to read:

1297 718.504 Prospectus or offering circular.—Every developer of
1298 a residential condominium which contains more than 20
1299 residential units, or which is part of a group of residential
1300 condominiums which will be served by property to be used in
1301 common by unit owners of more than 20 residential units, shall
1302 prepare a prospectus or offering circular and file it with the
1303 Division of Florida Condominiums, Timeshares, and Mobile Homes
1304 prior to entering into an enforceable contract of purchase and
1305 sale of any unit or lease of a unit for more than 5 years and

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

1334 (22) (a) If the budget of the association provides for

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1335 funding accounts for deferred expenditures, including, but not
1336 limited to, funds for capital expenditures and deferred
1337 maintenance, but the association has voted to waive reserves or
1338 to use existing reserve funds for purposes other than purposes
1339 for which the reserves were intended, the prospectus or offering
1340 circular must also contain the following statement in
1341 conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN
1342 WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING
1343 RESERVES UNDER SECTION 718.112(2)(f), FLORIDA STATUTES. THE
1344 WAIVING OR ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT
1345 OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS
1346 REGARDING THOSE ITEMS.

1347 (b) If the association is required to perform a reserve
1348 study under section 718.112(2)(f) and the budget of the
1349 association does not fund the association's reserve obligations
1350 consistent with the reserve study currently in effect or the
1351 association has not provided an alternative funding method for
1352 the association's reserve obligations, the prospectus or
1353 offering circular must also contain the following statement in
1354 conspicuous type: THE BOARD OF ADMINISTRATION FOR THIS
1355 ASSOCIATION HAS FAILED TO SATISFY THE ASSOCIATION'S RESERVE
1356 FUNDING OBLIGATIONS UNDER SECTION 718.112(2)(f), FLORIDA
1357 STATUTES. THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR
1358 FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND
1359 DEFERRED MAINTENANCE CONSISTENT WITH THE ASSOCIATION'S RESERVE
1360 STUDY. FAILURE TO FUND RESERVES CONSISTENT WITH THE
1361 ASSOCIATION'S RESERVE STUDY MAY RESULT IN UNANTICIPATED SPECIAL
1362 ASSESSMENTS REGARDING THOSE ITEMS.

1363 Section 12. Present subsections (1) through (28) of section

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1364 719.103, Florida Statutes, are redesignated as subsections (2)
1365 through (29), respectively, and a new subsection (1) is added to
1366 that section, to read:

1367 719.103 Definitions.—As used in this chapter:

1368 (1) "Alternative funding method" means a method for the
1369 funding of a reserve account by other than an assessment or
1370 special assessment which may reasonably be expected to fully
1371 satisfy the association's reserve funding obligations. This may
1372 include an immediately available line of credit equal to the
1373 amount of any waived reserves, payments into the reserve account
1374 by a developer who is offering units, or any other method that
1375 has been approved by the division.

1376 Section 13. Present subsections (5) through (11) of section
1377 719.104, Florida Statutes, are redesignated as subsections (6)
1378 through (12), respectively, a new subsection (5) is added to
1379 that section, and paragraphs (a) and (c) of subsection (2) and
1380 paragraph (a) of subsection (4) of that section are amended, to
1381 read:

1382 719.104 Cooperatives; access to units; records; financial
1383 reports; assessments; purchase of leases.—

1384 (2) OFFICIAL RECORDS.—

1385 (a) From the inception of the association, the association
1386 shall maintain a copy of each of the following, where
1387 applicable, which shall constitute the official records of the
1388 association:

1389 1. The plans, permits, warranties, and other items provided
1390 by the developer pursuant to s. 719.301(4).

1391 2. A photocopy of the cooperative documents.

1392 3. A copy of the current rules of the association.

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1393 4. A book or books containing the minutes of all meetings
1394 of the association, of the board of directors, and of the unit
1395 owners.

1396 5. A current roster of all unit owners and their mailing
1397 addresses, unit identifications, voting certifications, and, if
1398 known, telephone numbers. The association shall also maintain
1399 the e-mail addresses and the numbers designated by unit owners
1400 for receiving notice sent by electronic transmission of those
1401 unit owners consenting to receive notice by electronic
1402 transmission. The e-mail addresses and numbers provided by unit
1403 owners to receive notice by electronic transmission shall be
1404 removed from association records when consent to receive notice
1405 by electronic transmission is revoked. However, the association
1406 is not liable for an erroneous disclosure of the e-mail address
1407 or the number for receiving electronic transmission of notices.

1408 6. All current insurance policies of the association.

1409 7. A current copy of any management agreement, lease, or
1410 other contract to which the association is a party or under
1411 which the association or the unit owners have an obligation or
1412 responsibility.

1413 8. Bills of sale or transfer for all property owned by the
1414 association.

1415 9. Accounting records for the association and separate
1416 accounting records for each unit it operates, according to good
1417 accounting practices. The accounting records shall include, but
1418 not be limited to:

1419 a. Accurate, itemized, and detailed records of all receipts
1420 and expenditures.

1421 b. A current account and a monthly, bimonthly, or quarterly

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1422 statement of the account for each unit designating the name of
1423 the unit owner, the due date and amount of each assessment, the
1424 amount paid upon the account, and the balance due.

1425 c. All audits, reviews, accounting statements, and
1426 financial reports of the association.

1427 d. All contracts for work to be performed. Bids for work to
1428 be performed shall also be considered official records and shall
1429 be maintained for a period of 1 year.

1430 10. Ballots, sign-in sheets, voting proxies, and all other
1431 papers and electronic records relating to voting by unit owners,
1432 which shall be maintained for a period of 1 year after the date
1433 of the election, vote, or meeting to which the document relates.

1434 11. All rental records where the association is acting as
1435 agent for the rental of units.

1436 12. A copy of the current question and answer sheet as
1437 described in s. 719.504.

1438 13. All affirmative acknowledgments made pursuant to s.
1439 719.108(3)(b)3.

1440 14. A copy of the inspection reports as described in ss.
1441 719.1062 and 719.301(4)(p) and any other inspection report
1442 relating to a structural or life safety inspection of the
1443 cooperative property.

1444 15. All other written records of the association not
1445 specifically included in the foregoing which are related to the
1446 operation of the association.

1447 (c) The official records of the association are open to
1448 inspection by any association member or the authorized
1449 representative of such member at all reasonable times. The right
1450 to inspect the records includes the right to make or obtain

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1451 copies, at the reasonable expense, if any, of the association
1452 member. A renter of a unit has a right to inspect and copy only
1453 the association's bylaws and rules and the inspection reports
1454 described in ss. 719.1062 and 719.301(4)(p). The association may
1455 adopt reasonable rules regarding the frequency, time, location,
1456 notice, and manner of record inspections and copying, but may
1457 not require a member to demonstrate any purpose or state any
1458 reason for the inspection. The failure of an association to
1459 provide the records within 10 working days after receipt of a
1460 written request creates a rebuttable presumption that the
1461 association willfully failed to comply with this paragraph. A
1462 member who is denied access to official records is entitled to
1463 the actual damages or minimum damages for the association's
1464 willful failure to comply. The minimum damages are \$50 per
1465 calendar day for up to 10 days, beginning on the 11th working
1466 day after receipt of the written request. The failure to permit
1467 inspection entitles any person prevailing in an enforcement
1468 action to recover reasonable attorney fees from the person in
1469 control of the records who, directly or indirectly, knowingly
1470 denied access to the records. Any person who knowingly or
1471 intentionally defaces or destroys accounting records that are
1472 required by this chapter to be maintained during the period for
1473 which such records are required to be maintained, or who
1474 knowingly or intentionally fails to create or maintain
1475 accounting records that are required to be created or
1476 maintained, with the intent of causing harm to the association
1477 or one or more of its members, is personally subject to a civil
1478 penalty under s. 719.501(1)(d). The association shall maintain
1479 an adequate number of copies of the declaration, articles of

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

1497 1. Any record protected by the lawyer-client privilege as
1498 described in s. 90.502 and any record protected by the work-
1499 product privilege, including any record prepared by an
1500 association attorney or prepared at the attorney's express
1501 direction which reflects a mental impression, conclusion,
1502 litigation strategy, or legal theory of the attorney or the
1503 association, and which was prepared exclusively for civil or
1504 criminal litigation or for adversarial administrative
1505 proceedings, or which was prepared in anticipation of such
1506 litigation or proceedings until the conclusion of the litigation
1507 or proceedings.

1508 2. Information obtained by an association in connection

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1509 with the approval of the lease, sale, or other transfer of a
1510 unit.

1511 3. Personnel records of association or management company
1512 employees, including, but not limited to, disciplinary, payroll,
1513 health, and insurance records. For purposes of this
1514 subparagraph, the term "personnel records" does not include
1515 written employment agreements with an association employee or
1516 management company, or budgetary or financial records that
1517 indicate the compensation paid to an association employee.

1518 4. Medical records of unit owners.

1519 5. Social security numbers, driver license numbers, credit
1520 card numbers, e-mail addresses, telephone numbers, facsimile
1521 numbers, emergency contact information, addresses of a unit
1522 owner other than as provided to fulfill the association's notice
1523 requirements, and other personal identifying information of any
1524 person, excluding the person's name, unit designation, mailing
1525 address, property address, and any address, e-mail address, or
1526 facsimile number provided to the association to fulfill the
1527 association's notice requirements. Notwithstanding the
1528 restrictions in this subparagraph, an association may print and
1529 distribute to unit owners a directory containing the name, unit
1530 address, and all telephone numbers of each unit owner. However,
1531 an owner may exclude his or her telephone numbers from the
1532 directory by so requesting in writing to the association. An
1533 owner may consent in writing to the disclosure of other contact
1534 information described in this subparagraph. The association is
1535 not liable for the inadvertent disclosure of information that is
1536 protected under this subparagraph if the information is included
1537 in an official record of the association and is voluntarily

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1538 provided by an owner and not requested by the association.

1539 6. Electronic security measures that are used by the
1540 association to safeguard data, including passwords.

1541 7. The software and operating system used by the
1542 association which allow the manipulation of data, even if the
1543 owner owns a copy of the same software used by the association.
1544 The data is part of the official records of the association.

1545 8. All affirmative acknowledgments made pursuant to s.
1546 719.108 (3) (b) 3.

1547 (4) FINANCIAL REPORT.—

1548 (a) Within 90 days following the end of the fiscal or
1549 calendar year or annually on such date as provided in the bylaws
1550 of the association, the board of administration shall prepare
1551 and complete, or contract with a third party to prepare and
1552 complete, a financial report covering the preceding fiscal or
1553 calendar year. Within 21 days after the financial report is
1554 completed by the association or received from the third party,
1555 but no later than 120 days after the end of the fiscal year,
1556 calendar year, or other date provided in the bylaws, the
1557 association shall provide each member with a copy of the annual
1558 financial report or a written notice that a copy of the
1559 financial report is available upon request at no charge to the
1560 member. The division shall adopt rules setting forth uniform
1561 accounting principles, standards, and reporting requirements.
1562 The rules must include, but not be limited to, standards for
1563 presenting a summary of association reserves, including a good
1564 faith estimate disclosing the annual amount of reserve funds
1565 that would be necessary for the association to fully fund
1566 reserves for each reserve item based on the straight-line

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1567 accounting method or on the pooling method. In adopting such
1568 rules, the division shall consider the number of members and
1569 annual revenues of an association.

1570 (5) MAINTENANCE.—

1571 (a) Maintenance of the common elements is the
1572 responsibility of the association. The association shall provide
1573 for the maintenance, repair, and replacement of the cooperative
1574 property identified in s. 719.301(4) (p). After turnover of
1575 control of the association to the unit owners, the association
1576 must perform any required maintenance identified by the
1577 developer pursuant to s. 719.301(4) (p) until the association
1578 obtains new maintenance protocols from a licensed professional
1579 engineer or architect.

1580 (b) The necessary maintenance, repair, or replacement of
1581 cooperative property is not a material alteration or substantial
1582 addition requiring unit owner approval.

1583 (c) The association is not liable for alternative housing
1584 costs, lost rent, or other expenses if a resident must vacate a
1585 unit or is denied access to a common element for necessary
1586 maintenance, repair, or replacement of cooperative property.

1587 Section 14. Paragraph (j) of subsection (1) of section
1588 719.106, Florida Statutes, is amended to read:

1589 719.106 Bylaws; cooperative ownership.—

1590 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative
1591 documents shall provide for the following, and if they do not,
1592 they shall be deemed to include the following:

1593 (j) *Annual budget.*—

1594 1. The proposed annual budget of common expenses shall be
1595 detailed and shall show the amounts budgeted by accounts and

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1596 expense classifications, including, if applicable, but not
1597 limited to, those expenses listed in s. 719.504(20). The board
1598 of administration shall adopt the annual budget at least 14 days
1599 prior to the start of the association's fiscal year. In the
1600 event that the board fails to timely adopt the annual budget a
1601 second time, it shall be deemed a minor violation and the prior
1602 year's budget shall continue in effect until a new budget is
1603 adopted.

1604 2. In addition to annual operating expenses, the budget
1605 shall include reserve accounts for capital expenditures and
1606 deferred maintenance. These accounts shall include, but not be
1607 limited to, the maintenance and replacement of the cooperative
1608 property identified in s. 719.301(4)(p) ~~roof replacement,~~
1609 ~~building painting, and pavement resurfacing,~~ regardless of the
1610 amount of deferred maintenance expense or replacement cost, and
1611 for any other items for which the deferred maintenance expense
1612 or replacement cost exceeds \$10,000. The amount to be reserved
1613 shall be computed by means of a formula which is based upon
1614 estimated remaining useful life and estimated replacement cost
1615 or deferred maintenance expense of each reserve item. The
1616 association may adjust replacement reserve assessments annually
1617 to take into account any changes in estimates or extension of
1618 the useful life of a reserve item caused by deferred
1619 maintenance. This paragraph shall not apply to any budget in
1620 which the members of an association have, at a duly called
1621 meeting of the association, determined for a fiscal year to
1622 provide no reserves or reserves less adequate than required by
1623 this subsection. If an association is required to perform a
1624 reserve study under this paragraph, the members of the

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1625 association may vote to waive reserve contributions or reduce
1626 reserve funding if the association's reserve obligations are
1627 funded consistent with the reserve study currently in effect or
1628 if the association provides an alternative funding method for
1629 the association's reserve obligations. Reserves may be funded
1630 using the pooling method; however, funding for the maintenance,
1631 repair, or replacement of the cooperative property identified in
1632 s. 719.301(4) (p) may not be pooled with reserves for other
1633 expenses of the association.

1634 3. ~~However,~~ Prior to turnover of control of an association
1635 by a developer to unit owners other than a developer pursuant to
1636 s. 719.301, the developer may vote to waive the reserves or
1637 reduce the funding of reserves for the first 2 years of the
1638 operation of the association after which time reserves may only
1639 be waived or reduced upon the vote of a majority of all
1640 nondeveloper voting interests voting in person or by limited
1641 proxy at a duly called meeting of the association. If a meeting
1642 of the unit owners has been called to determine to provide no
1643 reserves, or reserves less adequate than required, and such
1644 result is not attained or a quorum is not attained, the reserves
1645 as included in the budget shall go into effect. For an
1646 association that is required to perform a reserve study under
1647 this paragraph, the developer may only vote to waive reserve
1648 contributions or reduce reserve funding if the association's
1649 reserve obligations are funded consistent with the reserve study
1650 currently in effect or if the association provides an
1651 alternative funding method for the association's reserve
1652 obligations.

1653 4.3. Reserve funds and any interest accruing thereon shall

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1654 remain in the reserve account or accounts, and shall be used
1655 only for authorized reserve expenditures unless their use for
1656 other purposes is approved in advance by a vote of the majority
1657 of the voting interests, voting in person or by limited proxy at
1658 a duly called meeting of the association. Prior to turnover of
1659 control of an association by a developer to unit owners other
1660 than the developer under s. 719.301, the developer may not vote
1661 to use reserves for purposes other than that for which they were
1662 intended without the approval of a majority of all nondeveloper
1663 voting interests, voting in person or by limited proxy at a duly
1664 called meeting of the association. Reserve funds that are used
1665 for purposes other than authorized reserve expenditures must be
1666 reinstated in the reserve account or accounts within 12 months
1667 after the expenditure.

1668 5. Unless the governing documents provide for a more
1669 frequent reserve study, an association with a residential
1670 cooperative building that is three stories or more in height
1671 must have a study conducted of the reserves required to repair,
1672 replace, and restore the cooperative property identified in s.
1673 719.301(4)(p) at least every 3 years. The board shall review the
1674 results of such study at least annually to determine if reserves
1675 are sufficient to meet the association's reserve obligations and
1676 to make any adjustments the board deems necessary to maintain
1677 reserves, as appropriate. The division shall adopt rules setting
1678 forth uniform standards and forms for reserve studies. The
1679 reserve study must include, without limitation:

1680 a. A summary of any inspection of the major components of
1681 the cooperative property identified in s. 719.301(4)(p) and any
1682 other portion of the cooperative property that the association

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1683 is obligated to maintain, repair, replace, or restore;

1684 b. If applicable, a summary of the findings and
1685 recommendations of the milestone inspection report required
1686 under s. 719.1062;

1687 c. An estimate of the remaining useful life of each major
1688 component of the cooperative property identified in s.
1689 719.301(4)(p) and any other portion of the cooperative property
1690 that the association is obligated to maintain, repair, replace,
1691 or restore identified pursuant to a milestone inspection and any
1692 other structural or life safety inspection of the cooperative
1693 property;

1694 d. An estimate of the cost of maintenance, repair,
1695 replacement, or restoration of each major component of the
1696 cooperative property identified in s. 719.301(4)(p) and any
1697 other portion of the cooperative property that the association
1698 is obligated to maintain, repair, replace, or restore identified
1699 pursuant to sub-subparagraph c. during and at the end of its
1700 useful life; and

1701 e. An estimate of the total annual assessment that may be
1702 necessary to cover the cost of maintaining, repairing,
1703 replacing, or restoring the major components of the cooperative
1704 property identified in s. 719.301(4)(p) and any other portion of
1705 the cooperative property identified pursuant to sub-subparagraph
1706 c., after subtracting the reserves of the association as of the
1707 date of the study, and an estimate of the funding plan,
1708 including any alternative funding method, that may be necessary
1709 to provide adequate funding for the required reserves.

1710 6. To the extent that the reserve study conducted in
1711 accordance with this paragraph indicates a need to budget for

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1712 reserves, the annual budget must include:

1713 a. The identification of all items for which reserves are
1714 or will be established;

1715 b. The current estimated replacement cost, estimated
1716 remaining life, and estimated useful life of the cooperative
1717 property identified in s. 719.301(4) (p);

1718 c. As of the beginning of the fiscal year for which the
1719 budget is prepared, the current amount of accumulated cash
1720 reserves set aside to repair, replace, or restore the reserve
1721 components and the amount of the expected contribution to the
1722 reserve fund for that fiscal year;

1723 d. A description of the funding plan for the reserve
1724 funding obligations of the association, including the use of
1725 regular assessments, special assessments, and any other
1726 alternative funding method; and

1727 e. A description of the procedures used for the estimation
1728 and accumulation of reserves pursuant to this paragraph, the
1729 identity of any independent third party who conducted the
1730 reserve study on behalf of the association, and the extent to
1731 which the association is funding its reserve obligations
1732 consistent with the reserve study currently in effect.

1733 7. If the budget of the association provides for funding
1734 accounts for deferred expenditures, including, but not limited
1735 to, funds for capital expenditures and deferred maintenance, but
1736 the association has voted to waive reserves or to use existing
1737 reserve funds for purposes other than purposes for which the
1738 reserves were intended, a financial report must contain the
1739 following statement in conspicuous type: THE OWNERS HAVE ELECTED
1740 TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED ALTERNATIVE

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1741 USES OF EXISTING RESERVES UNDER SECTION 719.106(1)(j), FLORIDA
1742 STATUTES. THE WAIVING OR ALTERNATIVE USE OF RESERVE FUNDS MAY
1743 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED
1744 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1745 8. If the association is required to perform a reserve
1746 study under this paragraph and the budget of the association
1747 does not fund the association's reserve obligations consistent
1748 with the reserve study currently in effect or the association
1749 has not provided an alternative funding method for the
1750 association's reserve obligations, the financial report must
1751 also contain the following statement in conspicuous type: THE
1752 BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO
1753 SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER
1754 SECTION 719.106(1)(j), FLORIDA STATUTES. THE BUDGET OF THE
1755 ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS
1756 FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT
1757 WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES
1758 CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN
1759 UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1760 Section 15. Section 719.1062, Florida Statutes, is created
1761 to read:

1762 719.1062 Mandatory structural inspections.-

1763 (1) The Legislature finds that maintaining the structural
1764 integrity of a cooperative building throughout its service life
1765 is of paramount importance in order to ensure that buildings are
1766 structurally sound so as not to pose a threat to the public
1767 health, safety, or welfare. As such, the Legislature finds that
1768 the imposition of a statewide structural inspection program for
1769 aging residential cooperative buildings in this state is

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1770 necessary to ensure that such buildings are safe for continued
1771 use.

1772 (2) As used in this section, the term "milestone
1773 inspection" means a structural inspection of a building by a
1774 licensed architect or engineer authorized to practice in this
1775 state for the purposes of attesting to the life safety and
1776 adequacy of the structural components of the building and, to
1777 the extent reasonably possible, determining the general
1778 structural condition of the building as it affects the safety of
1779 such building. The purpose of such inspection is not to
1780 determine if the condition of an existing building is in
1781 compliance with the Florida Building Code.

1782 (3) A residential cooperative building that is three
1783 stories or more in height must have a milestone inspection
1784 performed by December 31 of the year in which the building
1785 reaches 30 years of age, based on the date the certificate of
1786 occupancy was issued, and every 10 years thereafter. A
1787 residential cooperative building that is three stories or more
1788 in height and is located within 3 miles of a coastline as
1789 defined in s. 376.031 must have a milestone inspection by
1790 December 31 of the year in which the building reaches 20 years
1791 of age, based on the date the certificate of occupancy was
1792 issued, and every 7 years thereafter. If a cooperative building
1793 is required to have a milestone inspection performed pursuant to
1794 this section, the board of administration of the association
1795 must arrange for the milestone inspection to be performed and is
1796 responsible for ensuring compliance with the requirements of
1797 this section. The association responsible for inspection under
1798 this section is responsible for all costs associated with the

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1799 inspection.

1800 (4) If a milestone inspection is required under this
1801 section, and the building's certificate of occupancy was issued
1802 on or before July 1, 1992, the building's initial milestone
1803 inspection must be performed before December 31, 2024.

1804 (5) A milestone inspection consists of two phases:

1805 (a) For phase one of the milestone inspection, a licensed
1806 architect or engineer authorized to practice in this state shall
1807 perform a visual examination of all habitable and nonhabitable
1808 areas of a building and provide a qualitative assessment of the
1809 structural conditions of the building. Surface imperfections,
1810 such as cracks, distortion, sagging, excessive deflections,
1811 significant misalignment, signs of leakage, or peeling of
1812 finishes, must be critically viewed as possible signs of
1813 structural distress. If the architect or engineer finds no signs
1814 of structural distress to any building components under visual
1815 examination, phase two of the inspection, as provided in
1816 paragraph (b), is not required. An architect or engineer who
1817 completes the first phase of a milestone inspection shall
1818 prepare and submit an inspection report pursuant to subsection
1819 (6).

1820 (b) Phase two of the milestone inspection must be performed
1821 if any structural distress is identified during phase one. Only
1822 a special inspector as defined in s. 553.71 may perform a phase
1823 two inspection. A phase two inspection may involve destructive
1824 or nondestructive testing at the special inspector's direction.
1825 The inspection may be as extensive or as limited as necessary to
1826 fully assess damaged areas of the building in order to confirm
1827 that the building is safe for its intended use or to recommend a

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1828 program for fully assessing and repairing damaged portions of
1829 the building. When determining testing locations, the special
1830 inspector must give preference to locations that are the least
1831 disruptive and most easily repairable while still being
1832 representative of the structure. A special inspector who
1833 completes the second phase of a milestone inspection shall
1834 prepare and submit an inspection report pursuant to subsection
1835 (6).

1836 (6) Upon completion of a phase one or phase two milestone
1837 inspection, the architect or engineer who performed the
1838 inspection must submit a sealed copy of the inspection report to
1839 the board of administration of the association and to the
1840 building official of the local government that has jurisdiction.
1841 The board of administration must distribute a copy of each
1842 inspection report to each unit owner regardless of whether there
1843 are deficiencies reported, and if the association is required by
1844 law to have a website, must publish the report on the
1845 association's website.

1846 (7) A local enforcing agency may prescribe timelines and
1847 penalties with respect to compliance with this section.

1848 (8) An association shall comply with structural and life
1849 safety standards for maintenance and inspections adopted by the
1850 Florida Building Commission.

1851 Section 16. Paragraph (f) is added to subsection (1) of
1852 section 719.107, Florida Statutes, to read:

1853 719.107 Common expenses; assessment.—

1854 (1)

1855 (f) Notwithstanding any provision in a declaration
1856 requiring, prohibiting, or limiting a board of administration's

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1857 authority to adopt a special assessment or to borrow money on
1858 behalf of the association, including any provision in the
1859 governing documents requiring unit owner voting or approval, the
1860 board may adopt a special assessment or borrow money for the
1861 necessary maintenance, repair, or replacement of the cooperative
1862 property identified in s. 719.301(4) (p) .

1863 Section 17. Paragraphs (j) and (k) are added to subsection
1864 (6) of section 719.108, Florida Statutes, to read:

1865 719.108 Rents and assessments; liability; lien and
1866 priority; interest; collection; cooperative ownership.—

1867 (6) Within 10 business days after receiving a written or
1868 electronic request for an estoppel certificate from a unit owner
1869 or the unit owner's designee, or a unit mortgagee or the unit
1870 mortgagee's designee, the association shall issue the estoppel
1871 certificate. Each association shall designate on its website a
1872 person or entity with a street or e-mail address for receipt of
1873 a request for an estoppel certificate issued pursuant to this
1874 section. The estoppel certificate must be provided by hand
1875 delivery, regular mail, or e-mail to the requestor on the date
1876 of issuance of the estoppel certificate.

1877 (j) If the budget of the association provides for funding
1878 accounts for deferred expenditures, including, but not limited
1879 to, funds for capital expenditures and deferred maintenance, but
1880 the association has voted to waive reserves or to use existing
1881 reserve funds for purposes other than purposes for which the
1882 reserves were intended, the estoppel certificate must also
1883 contain the following statement in conspicuous type: THE OWNERS
1884 HAVE ELECTED TO WAIVE RESERVES, IN WHOLE OR IN PART, OR ALLOWED
1885 ALTERNATIVE USES OF EXISTING RESERVES UNDER SECTION

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1886 719.106(1)(j), FLORIDA STATUTES. THE WAIVING OR ALTERNATIVE USE
1887 OF RESERVE FUNDS MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT
1888 OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1889 (k) If the association is required to perform a reserve
1890 study under section 719.106(1)(j) and the budget of the
1891 association does not fund the association's reserve obligations
1892 consistent with the reserve study currently in effect or the
1893 association has not provided an alternative funding method for
1894 the association's reserve obligations, the estoppel certificate
1895 must also contain the following statement in conspicuous type:
1896 THE BOARD OF ADMINISTRATION FOR THIS ASSOCIATION HAS FAILED TO
1897 SATISFY THE ASSOCIATION'S RESERVE FUNDING OBLIGATIONS UNDER
1898 SECTION 719.106(1)(j), FLORIDA STATUTES. THE BUDGET OF THE
1899 ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS
1900 FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE CONSISTENT
1901 WITH THE ASSOCIATION'S RESERVE STUDY. FAILURE TO FUND RESERVES
1902 CONSISTENT WITH THE ASSOCIATION'S RESERVE STUDY MAY RESULT IN
1903 UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

1904 Section 18. Paragraph (p) is added to subsection (4) of
1905 section 719.301, Florida Statutes, to read:

1906 719.301 Transfer of association control.—

1907 (4) When unit owners other than the developer elect a
1908 majority of the members of the board of administration of an
1909 association, the developer shall relinquish control of the
1910 association, and the unit owners shall accept control.
1911 Simultaneously, or for the purpose of paragraph (c) not more
1912 than 90 days thereafter, the developer shall deliver to the
1913 association, at the developer's expense, all property of the
1914 unit owners and of the association held or controlled by the

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1915 developer, including, but not limited to, the following items,
1916 if applicable, as to each cooperative operated by the
1917 association:

1918 (p) A report included in the official records, under seal
1919 of an architect or engineer authorized to practice in this
1920 state, attesting to required maintenance, condition, useful
1921 life, and replacement costs of the following applicable
1922 cooperative property comprising a turnover inspection report:

- 1923 1. Roof.
- 1924 2. Structure.
- 1925 3. Fireproofing and fire protection systems.
- 1926 4. Elevators.
- 1927 5. Heating and cooling systems.
- 1928 6. Plumbing.
- 1929 7. Electrical systems.
- 1930 8. Swimming pool or spa and equipment.
- 1931 9. Seawalls.
- 1932 10. Pavement and parking areas.
- 1933 11. Drainage systems.
- 1934 12. Painting.
- 1935 13. Irrigation systems.
- 1936 14. Waterproofing.

1937 Section 19. Paragraph (b) of subsection (1) of section
1938 719.503, Florida Statutes, is amended, and paragraph (d) is
1939 added to subsection (2) of that section, to read:

1940 719.503 Disclosure prior to sale.—

1941 (1) DEVELOPER DISCLOSURE.—

1942 (b) *Copies of documents to be furnished to prospective*
1943 *buyer or lessee.*—Until such time as the developer has furnished

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1944 the documents listed below to a person who has entered into a
1945 contract to purchase a unit or lease it for more than 5 years,
1946 the contract may be voided by that person, entitling the person
1947 to a refund of any deposit together with interest thereon as
1948 provided in s. 719.202. The contract may be terminated by
1949 written notice from the proposed buyer or lessee delivered to
1950 the developer within 15 days after the buyer or lessee receives
1951 all of the documents required by this section. The developer may
1952 ~~shall~~ not close for 15 days after ~~following~~ the execution of the
1953 agreement and delivery of the documents to the buyer as
1954 evidenced by a receipt for documents signed by the buyer unless
1955 the buyer is informed in the 15-day voidability period and
1956 agrees to close before ~~prior to~~ the expiration of the 15 days.
1957 The developer shall retain in his or her records a separate
1958 signed agreement as proof of the buyer's agreement to close
1959 before ~~prior to~~ the expiration of the ~~said~~ voidability period.
1960 The developer must retain such ~~Said~~ proof ~~shall be retained~~ for
1961 a period of 5 years after the date of the closing transaction.
1962 The documents to be delivered to the prospective buyer are the
1963 prospectus or disclosure statement with all exhibits, if the
1964 development is subject to ~~the provisions of~~ s. 719.504, or, if
1965 not, then copies of the following which are applicable:
1966 1. The question and answer sheet described in s. 719.504,
1967 and cooperative documents, or the proposed cooperative documents
1968 if the documents have not been recorded, which shall include the
1969 certificate of a surveyor approximately representing the
1970 locations required by s. 719.104.
1971 2. The documents creating the association.
1972 3. The bylaws.

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1973 4. The ground lease or other underlying lease of the
1974 cooperative.

1975 5. The management contract, maintenance contract, and other
1976 contracts for management of the association and operation of the
1977 cooperative and facilities used by the unit owners having a
1978 service term in excess of 1 year, and any management contracts
1979 that are renewable.

1980 6. The estimated operating budget for the cooperative and a
1981 schedule of expenses for each type of unit, including fees
1982 assessed to a shareholder who has exclusive use of limited
1983 common areas, where such costs are shared only by those entitled
1984 to use such limited common areas.

1985 7. The lease of recreational and other facilities that will
1986 be used only by unit owners of the subject cooperative.

1987 8. The lease of recreational and other common areas that
1988 will be used by unit owners in common with unit owners of other
1989 cooperatives.

1990 9. The form of unit lease if the offer is of a leasehold.

1991 10. Any declaration of servitude of properties serving the
1992 cooperative but not owned by unit owners or leased to them or
1993 the association.

1994 11. If the development is to be built in phases or if the
1995 association is to manage more than one cooperative, a
1996 description of the plan of phase development or the arrangements
1997 for the association to manage two or more cooperatives.

1998 12. If the cooperative is a conversion of existing
1999 improvements, the statements and disclosure required by s.
2000 719.616.

2001 13. The form of agreement for sale or lease of units.

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2002 14. A copy of the floor plan of the unit and the plot plan
2003 showing the location of the residential buildings and the
2004 recreation and other common areas.

2005 15. A copy of all covenants and restrictions that ~~which~~
2006 will affect the use of the property and ~~which~~ are not contained
2007 in the foregoing.

2008 16. If the developer is required by state or local
2009 authorities to obtain acceptance or approval of any dock or
2010 marina facilities intended to serve the cooperative, a copy of
2011 any such acceptance or approval acquired by the time of filing
2012 with the division pursuant to s. 719.502(1) or a statement that
2013 such acceptance or approval has not been acquired or received.

2014 17. Evidence demonstrating that the developer has an
2015 ownership, leasehold, or contractual interest in the land upon
2016 which the cooperative is to be developed.

2017 18. A copy of the reserve study required under s.
2018 719.106(1)(j), along with a report or financial statement
2019 indicating the status of the reserves.

2020 (2) NONDEVELOPER DISCLOSURE.—

2021 (d) If the building in which the cooperative unit is
2022 located is subject to the reserve study requirements in s.
2023 719.106(1)(j) and the milestone inspection requirements in s.
2024 719.1062, each contract for the resale of a residential unit
2025 must also contain in conspicuous type either:

2026 1. A clause which states: THE BUYER HEREBY ACKNOWLEDGES
2027 THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE MOST RECENT
2028 RESERVE STUDY REQUIRED BY SECTION 719.106, FLORIDA STATUTES, AND
2029 ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 719.1062,
2030 FLORIDA STATUTES, MORE THAN 3 DAYS, EXCLUDING SATURDAYS,

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2031 SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF THIS
2032 CONTRACT; or
2033 2. A clause which states: THIS AGREEMENT IS VOIDABLE BY
2034 BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO
2035 CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL
2036 HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE
2037 BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE MOST RECENT
2038 RESERVE STUDY REQUIRED BY SECTION 719.106, FLORIDA STATUTES, AND
2039 ALL MILESTONE INSPECTION REPORTS REQUIRED BY SECTION 719.1062,
2040 FLORIDA STATUTES. ANY PURPORTED WAIVER OF THESE VOIDABILITY
2041 RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR
2042 CLOSING FOR A PERIOD OF NOT MORE THAN 3 DAYS, EXCLUDING
2043 SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE BUYER RECEIVES
2044 THE MOST RECENT RESERVE STUDY REQUIRED BY SECTION 719.106,
2045 FLORIDA STATUTES, AND ALL MILESTONE INSPECTION REPORTS REQUIRED
2046 BY SECTION 719.1062, FLORIDA STATUTES. BUYER'S RIGHT TO VOID
2047 THIS AGREEMENT SHALL TERMINATE AT CLOSING.

2048
2049 A contract that does not conform to the requirements of this
2050 paragraph is voidable at the option of the purchaser prior to
2051 closing.

2052 Section 20. Subsection (28) is added to section 719.504,
2053 Florida Statutes, to read:

2054 719.504 Prospectus or offering circular.—Every developer of
2055 a residential cooperative which contains more than 20
2056 residential units, or which is part of a group of residential
2057 cooperatives which will be served by property to be used in
2058 common by unit owners of more than 20 residential units, shall
2059 prepare a prospectus or offering circular and file it with the

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2060 Division of Florida Condominiums, Timeshares, and Mobile Homes
2061 prior to entering into an enforceable contract of purchase and
2062 sale of any unit or lease of a unit for more than 5 years and
2063 shall furnish a copy of the prospectus or offering circular to
2064 each buyer. In addition to the prospectus or offering circular,
2065 each buyer shall be furnished a separate page entitled
2066 "Frequently Asked Questions and Answers," which must be in
2067 accordance with a format approved by the division. This page
2068 must, in readable language: inform prospective purchasers
2069 regarding their voting rights and unit use restrictions,
2070 including restrictions on the leasing of a unit; indicate
2071 whether and in what amount the unit owners or the association is
2072 obligated to pay rent or land use fees for recreational or other
2073 commonly used facilities; contain a statement identifying that
2074 amount of assessment which, pursuant to the budget, would be
2075 levied upon each unit type, exclusive of any special
2076 assessments, and which identifies the basis upon which
2077 assessments are levied, whether monthly, quarterly, or
2078 otherwise; state and identify any court cases in which the
2079 association is currently a party of record in which the
2080 association may face liability in excess of \$100,000; and state
2081 whether membership in a recreational facilities association is
2082 mandatory and, if so, identify the fees currently charged per
2083 unit type. The division shall by rule require such other
2084 disclosure as in its judgment will assist prospective
2085 purchasers. The prospectus or offering circular may include more
2086 than one cooperative, although not all such units are being
2087 offered for sale as of the date of the prospectus or offering
2088 circular. The prospectus or offering circular must contain the

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2089 following information:

2090 (28) (a) If the budget of the association provides for
2091 funding accounts for deferred expenditures, including, but not
2092 limited to, funds for capital expenditures and deferred
2093 maintenance, but the association has voted to waive reserves or
2094 to use existing reserve funds for purposes other than purposes
2095 for which the reserves were intended, the prospectus or offering
2096 circular must also contain the following statement in
2097 conspicuous type: THE OWNERS HAVE ELECTED TO WAIVE RESERVES, IN
2098 WHOLE OR IN PART, OR ALLOWED ALTERNATIVE USES OF EXISTING
2099 RESERVES UNDER SECTION 719.106, FLORIDA STATUTES. THE WAIVING OR
2100 ALTERNATIVE USE OF RESERVE FUNDS MAY RESULT IN UNIT OWNER
2101 LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS
2102 REGARDING THOSE ITEMS.

2103 (b) If the association is required to perform a reserve
2104 study under section 719.106(1)(j) and the budget of the
2105 association does not fund the association's reserve obligations
2106 consistent with the reserve study currently in effect or the
2107 association has not provided an alternative funding method for
2108 the association's reserve obligations, the prospectus or
2109 offering circular must also contain the following statement in
2110 conspicuous type: THE BOARD OF ADMINISTRATION FOR THIS
2111 ASSOCIATION HAS FAILED TO SATISFY THE ASSOCIATION'S RESERVE
2112 FUNDING OBLIGATIONS UNDER SECTION 719.106(1)(j), FLORIDA
2113 STATUTES. THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR
2114 FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND
2115 DEFERRED MAINTENANCE CONSISTENT WITH THE ASSOCIATION'S RESERVE
2116 STUDY. FAILURE TO FUND RESERVES CONSISTENT WITH THE
2117 ASSOCIATION'S RESERVE STUDY MAY RESULT IN UNANTICIPATED SPECIAL

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2118 ASSESSMENTS REGARDING THOSE ITEMS.

2119 Section 21. Subsection (2) of section 558.002, Florida
2120 Statutes, is amended to read:

2121 558.002 Definitions.—As used in this chapter, the term:

2122 (2) "Association" has the same meaning as in s. 718.103(3)
2123 ~~s. 718.103(2)~~, s. 719.103(3) ~~s. 719.103(2)~~, s. 720.301(9), or s.
2124 723.075.

2125 Section 22. Subsection (2) of section 718.121, Florida
2126 Statutes, is amended to read:

2127 718.121 Liens.—

2128 (2) Labor performed on or materials furnished to a unit may
2129 not be the basis for the filing of a lien under part I of
2130 chapter 713, the Construction Lien Law, against the unit or
2131 condominium parcel of any unit owner not expressly consenting to
2132 or requesting the labor or materials. Labor performed on or
2133 materials furnished for the installation of a natural gas fuel
2134 station or an electric vehicle charging station under s.
2135 718.113(9) ~~s. 718.113(8)~~ may not be the basis for filing a lien
2136 under part I of chapter 713 against the association, but such a
2137 lien may be filed against the unit owner. Labor performed on or
2138 materials furnished to the common elements are not the basis for
2139 a lien on the common elements, but if authorized by the
2140 association, the labor or materials are deemed to be performed
2141 or furnished with the express consent of each unit owner and may
2142 be the basis for the filing of a lien against all condominium
2143 parcels in the proportions for which the owners are liable for
2144 common expenses.

2145 Section 23. Subsection (3) of section 718.706, Florida
2146 Statutes, is amended to read:

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2147 718.706 Specific provisions pertaining to offering of units
2148 by a bulk assignee or bulk buyer.—

2149 (3) A bulk assignee, while in control of the board of
2150 administration of the association, may not authorize, on behalf
2151 of the association:

2152 (a) The waiver of reserves or the reduction of funding of
2153 the reserves pursuant to s. 718.112(2)(f)2., unless approved by
2154 a majority of the voting interests not controlled by the
2155 developer, bulk assignee, and bulk buyer; or

2156 (b) The use of reserve expenditures for other purposes
2157 pursuant to s. 718.112(2)(f)5. ~~s. 718.112(2)(f)3.~~, unless
2158 approved by a majority of the voting interests not controlled by
2159 the developer, bulk assignee, and bulk buyer.

2160 Section 24. Paragraph (d) of subsection (2) of section
2161 720.3085, Florida Statutes, is amended to read:

2162 720.3085 Payment for assessments; lien claims.—

2163 (2)

2164 (d) An association, or its successor or assignee, that
2165 acquires title to a parcel through the foreclosure of its lien
2166 for assessments is not liable for any unpaid assessments, late
2167 fees, interest, or reasonable attorney's fees and costs that
2168 came due before the association's acquisition of title in favor
2169 of any other association, as defined in s. 718.103(3) ~~s.~~
2170 ~~718.103(2)~~ or s. 720.301(9), which holds a superior lien
2171 interest on the parcel. This paragraph is intended to clarify
2172 existing law.

2173 Section 25. For the purpose of incorporating the amendment
2174 made by this act to section 718.1255, Florida Statutes, in a
2175 reference thereto, section 719.1255, Florida Statutes, is

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2176 reenacted to read:

2177 719.1255 Alternative resolution of disputes.—The Division
2178 of Florida Condominiums, Timeshares, and Mobile Homes of the
2179 Department of Business and Professional Regulation shall provide
2180 for alternative dispute resolution in accordance with s.
2181 718.1255.

2182 Section 26. This act shall take effect July 1, 2022.