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LEGISLATIVE ACTION

Senate

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House

Senator Pizzo moved the following:

Senate Substitute for Amendment (315026) (with title amendment)

Delete lines 575 - 710
and insert:
determine, by a majority vote of the total voting interests of the association ~~at a duly called meeting of the association~~, to provide no reserves or less reserves than required by this subsection. For a budget adopted on or after ~~Effective~~ December 31, 2024, the members of a unit-owner-controlled association that must obtain a structural integrity reserve study may not



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determine to provide no reserves or less reserves than required by this subsection for items listed in paragraph (g), except that members of an association operating a multicondominium may determine to provide no reserves or less reserves than required by this subsection if an alternative funding method has been approved by the division.

b. Before turnover of control of an association by a developer to unit owners other than a developer under s. 718.301, the developer-controlled association may not vote to waive the reserves or reduce funding of the reserves. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and no such result is achieved or a quorum is not attained, the reserves included in the budget shall go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves or approve contingent special assessments and lines of credit as provided in sub-subparagraph c.

c.(I) In lieu of the reserve accounts required by this subparagraph, members of a unit-owner-controlled association may approve contingent special assessments against each unit to secure a line of credit for the association to provide available funding for deferred maintenance and replacement costs as needed. The line of credit and the contingent special assessments must be approved by a majority of the voting interests of the association. Upon approval by the members of the association and once a line of credit has been approved and made available to the board for the funding of the required deferred maintenance and replacement costs, the association must record a declaration of special assessments evidencing the levy



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of such special assessments in the public records.

(II) Funding from the line of credit must be immediately available for access by the board to fund maintenance and replacement costs that come due, without further approval by the members of the association. At the option of a unit owner, the special assessment may be paid in full at the time it becomes due or the payment may be amortized over a term of years as provided for by the line of credit. However, a unit owner must be able to pay the remaining balance of the special assessment at any time during the amortization period.

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

4. The only voting interests that are eligible to vote on questions that involve waiving or reducing the funding of reserves, or using existing reserve funds for purposes other



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than purposes for which the reserves were intended, are the voting interests of the units subject to assessment to fund the reserves in question. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserve funds for purposes other than purposes for which the reserves were intended must contain the following statement in capitalized, bold letters in a font size larger than any other used on the face of the proxy ballot: WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

(g) *Structural integrity reserve study.*—

1. A residential condominium ~~An~~ association must have a structural integrity reserve study completed at least every 10 years after the condominium's creation for each building on the condominium property that is three stories or higher in height as determined by the Florida Building Code which includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:

- a. Roof.
- b. Load-bearing walls or other primary structural members.
- c. ~~Floor.~~
- d. Foundation.
- d.e. Fireproofing and fire protection systems.
- e.f. Plumbing.
- f.g. Electrical systems.
- g.h. Waterproofing and exterior painting.
- h.i. Windows and exterior doors.
- i.j. Any other item that has a deferred maintenance expense



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or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-h. ~~sub-subparagraphs a.-i.~~, as determined by the ~~licensed engineer or architect performing the~~ visual inspection portion of the structural integrity reserve study.

2. A structural integrity reserve study is based on a visual inspection of the condominium property. A structural integrity reserve study may be performed by any person qualified to perform such study. However, the visual inspection portion of the structural integrity reserve study must be performed or verified by an engineer licensed under chapter 471, an architect licensed under chapter 481, or a person who is certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts.

3. At a minimum, a structural integrity reserve study must identify each item of the condominium property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item of the condominium property being visually inspected, and provide a reserve funding schedule with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item of condominium property being visually inspected by the end of the estimated remaining useful life of the item. The structural integrity reserve study may recommend that reserves do not need to be maintained for any item for which an estimate of useful life and an estimate of replacement cost or deferred maintenance expense



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cannot be determined, or the study may recommend a deferred maintenance expense amount for such item.

4. This paragraph does not apply to buildings less than three stories in height; single-family, two-family, or three-family dwellings with three or fewer habitable stories above ground; any portion or component of a building that has not been submitted to the condominium form of ownership; or any portion or component of a building that is maintained by a party other than the association.

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

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

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



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study.

~~8.4.~~ If an association fails to complete a structural integrity reserve study pursuant to this paragraph, such failure is a breach of an officer's and director's fiduciary relationship to the unit owners under s. 718.111(1).

(h) *Mandatory milestone inspections.*—If an association is required to have a milestone inspection performed pursuant to s. 553.899, the association must arrange for the milestone inspection to be performed and is responsible for ensuring compliance with the requirements of s. 553.899. The association is responsible for all costs associated with the milestone inspection attributable to the portions of the building which the association is responsible for maintaining under the governing documents of the association. If the officers or directors of an association willfully and knowingly fail to have a milestone inspection performed pursuant to s. 553.899, such failure is a breach of the officers' and directors' fiduciary relationship to the unit owners under s. 718.111(1)(a). Within 14 days after receipt of a written notice from the local enforcement agency that a milestone inspection is required, the association must notify the unit owners of the required milestone inspection and provide the date by which the milestone inspection must be completed. Such notice may be given by electronic submission to unit owners who consent to receive notice by electronic submission or by posting on the association's website. Within 45 days after receiving ~~Upon completion of a phase one or phase~~

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186 And the title is amended as follows:
187 Delete line 50
188 and insert:
189 certain purposes; authorizing association members to
190 approve certain special assessments and lines of
191 credit for specified purposes; providing requirements
192 for such special assessments and lines of credit;
193 revising requirements for structural