**2025 Florida Legislative Session**

**Condominium Associations**

Summary of **House Bill 913** (Rep. Lopez) and **Senate Bill 1742** (Sen. Bradley)

**House Bill 913 / Senate Bill 1742 – Overview**

* **House Bill 913 / Senate Bill 1742** amends requirements relating to **Structural Integrity Reserve Studies (SIRS)**, **Milestone Inspections**, the governance and management of condominium and cooperative associations.
* **Bill Sponsors:**
	+ Rep. Lopez - 113th District of the Florida House of Representatives
	+ Sen. Bradley – 6th District of the Florida Senate

**House Bill 913 / Senate Bill 1742 – Summary of Legislation**

**Community Association Managers and Community Association Management Firm**

***Regarding Community Association Managers and Community Association Management Firms, the bill:***

* **Community Association Managers** must create and maintain an online licensure account with the Department of Business and Professional Regulation (DBPR). Identify on his or her online licensure account the **Community Association Management Firm** for which he or she provides management services and identify each community association for which he or she is the designated onside **Community Association Manager**.
* The bill prohibits a person who has had his or her **Community Association Manager (CAM)** license revoked from having an indirect or direct ownership interest in, or be an employee, partner, officer, director, or trustee of, a **Community Association Management Firm** during the 10-year period after the effective date of the revocation.
* The bill requires every **Community Association Management Firm** to identify on its online licensure account each **Community Association Manager** under its employment. If a **Community Association Manager** has his or her license suspended or revoked, the bill requires Department of Business and Professional Regulation (DBPR) to give written notice of such suspension or revocation to the **Community Association Management Firm** and the community association for which the **Community Association Manager** performs management services.
* A **Community Association Manager** or a **Community Association Management Firm** may not knowingly perform any act directed by the community association if such an act violates any state or federal law.
* Specifies that a **Community Association Managers** or **Community Association Management Firms** must post on each association’s website for which it provides management services the name and contact information for each **Community Association Manager** or **Community Association Management Firm** representative assigned to the association, the manager’s or representative’s hours of availability, and a summary of the duties for which the manager or representative is responsible; however, this requirement only applies if the association is required to maintain official records on a website or application.

**House Bill 913 / Senate Bill 1742 – Summary of Legislation**

**Milestone Inspections**

***Regarding Milestone Inspections for condominium and cooperative buildings, the bill:***

* Revises the requirements for **Milestone Inspections** to apply to condominium and cooperative buildings that are three “HABITABLE” stories or more in height instead of three or more stories under current law. Habitable spaces include areas intended for living, sleeping, eating, or cooking. Areas such as garages, storage rooms, hallways, and closets are not considered habitable.
* Requires the Office of Program Policy and Government Accountability to compile **Milestone Inspection** data and to submit a report to the Legislature.

**Structural Integrity Reserve Study (SIRS)**

***Relating to condominium and cooperative associations, the bill:***

* **Structural Integrity Reserve Study (SIRS)** are now limited to buildings with three or more HABITABLE stories. Habitable spaces include areas intended for living, sleeping, eating, or cooking. Areas such as garages, storage rooms, hallways, and closets are not considered habitable.
* The bill increases the threshold for non-specified items that must be included in the **Structural Integrity Reserve Study (SIRS)** from $10,000 to $25,000, or the inflation-adjusted amount determined by the Division, whichever is greater.
* The bill specifies that, at a minimum, an association’s **Structural Integrity Reserve Study (SIRS)** must include a recommendation for a reserve funding schedule based on a baseline funding plan that provides a reserve funding goal in which the reserve funding for each budget year is sufficient to maintain the reserve cash balance above zero. The bill also allows a **Structural Integrity Reserve Study (SIRS)** to recommend other types of reserve funding schedules, provided that each recommended schedule is sufficient to meet the association’s maintenance obligation.
* Under the bill, if a **Structural Integrity Reserve Study** **(SIRS)** recommends reserve for any item for which reserves are not required, the amount of the recommended reserves for such item must be separately identified in the **Structural Integrity Reserve Study (SIRS)** as an item for which reserves are not required.
* The bill requires the association’s **Structural Integrity Reserve Study (SIRS)** to take into consideration the funding method or methods used by the association to fund its maintenance and reserve funding obligations through regular assessments, special assessments, lines of credit, or loans. If the **Structural Integrity Reserve Study (SIRS)** is performed before the association has approved a special assessment or secured a line of credit or a loan, the **Structural Integrity Reserve Study (SIRS)** must be updated to reflect the funding method selected by the association and its effect on the reserve funding schedule, including any anticipated change in the amount of regular assessments.
* Requires that the **Structural Integrity Reserve Study (SIRS)** must differentiate between mandatory reserve items and other reserve items.
* The bill extends the deadline for condominium associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, to have a **Structural Integrity Reserve Study (SIRS)** completed by December 31st, 2024 to December 31st, 2025.
* Requires directors and officers of the association to sign an affidavit acknowledging receipt of a completed **Structural Integrity Reserve Study (SIRS)**.

**House Bill 913 / Senate Bill 1742 – Summary of Legislation**

**Conflict of Interest – Milestone Inspections and Structural Integrity Reserve Study**

* The bill requires design professionals, e.g., architects and engineers, and licensed contractors who bid on the **Structural Integrity Reserve Studies (SIRS)** and **Milestone Inspections**, to disclose in writing if they intend to bid on maintenance, repair, or replacement work related to the **SIRS**. A person who conducts or performs a **SIRS** or **Milestone Inspection** or provides recommended services may not have a direct or indirect interest in the firm conducting the study or be related to someone with such an interest unless disclosed to the association in writing. Failure to disclose makes the contract voidable and may result in professional discipline.

**Annual Financial Statements**

***The bill revises the annual financial statement requirements for condominiums by:***

* Increasing from 120 days to 180 days, the date by which the financial report must be completed after the end of the fiscal year.
* Allowing the association, as an alternative to delivering the annual financial statement, to provide a notice that the financial report will be mailed, hand delivered, or provided electronically via the internet as requested by the unit owner.
* Requiring that an officer or director of the association sign an affidavit evidencing compliance with the requirements for delivery of the annual statement.
* Requiring the approval of a majority of all of the voting interests to reduce the type of financial reporting.

**Official Records**

***The bill requires condominium associations to keep an official record of all:***

* Bank statements and ledgers.
* Recordings of meetings held by video conference.
* Affidavits required by Florida Statute 718, including on the association’s website.
* Approved minutes of the board over the preceding 12 months on the association’s website.
* Associations must update the association’s website within 30 days of any change.

**Insurance**

***The bill requires every condominium association to provide adequate property insurance, and:***

* That the amount of adequate insurance coverage for full insurable value, replacement cost, or similar coverage may be based on the replacement cost of the property to be insured which must be determined at least once every three years.
* Clarifies the association’s obligation to provide adequate insurance coverage for at least three or more communities may be satisfied by obtaining and maintaining insurance coverage sufficient to cover an amount equal to the probable maximum loss for the communities for a 250-year windstorm event. The review and approval must include approval of the policy and related forms pursuant to ss. 627.410 and 627.411, approval of the rates pursuant to 627.062.

**House Bill 913 / Senate Bill 1742 – Summary of Legislation**

**Condominium Association Meetings**

***The bill allows condominium associations to conduct meetings by video conferencing, including board meetings, budget meetings, and unit member meetings, and:***

* Allows board members who appear by video conference to vote, but their presence may not count towards a quorum.
* Requires meetings conducted by video conference to be recorded and kept as official records.
* Requires meetings to be held within 15 miles of the condominium property or within the same county.
* Requires that the Meeting Notice for a video conference meeting includes a hyperlink and the address for the physical location of the meeting.
* Requires the division to adopt rules for the conduct of meetings by video conference.

**Electronic Voting**

* The bill revises electronic voting requirements for condominiums, including requiring the board to adopt a resolution allowing electronic voting if at least 25 percent of the voting interests petition the board to adopt a resolution for electronic voting.

**Reserves**

***Relating to the maintenance of reserves by condominium and cooperative associations, the bill:***

* Allows all multi-condominiums to use the “alternative funding method”.
* Increases the monetary threshold for reserve items from $10,000 to $25,000, with annual inflation increases.
* Provides for investment of reserve funds in certificates of deposit or deposits in banks and credit unions without a vote of the unit owners.
* Allows a unit owner-controlled association that is required to have a **Structural Integrity Reserve Study (SIRS)** to fund reserves by a special assessment, a line of credit, or loan, with the approval of a majority of the voting interests of the association.
* Allows condominium boards to pause reserve funding without unit owner approval when the condominium building is declared uninhabitable by the local building official.
* Allows unit owner-controlled associations, for a budget adopted on or before December 31, 2028, that have completed the **Milestone Inspection** in the previous two years to temporarily pause or reduce reserve contributions for no more than 2 consecutive annual budgets, upon a vote of a majority of the total voting interests, in order to fund needed repairs recommended by the **Milestone Inspection**. If an association pauses or reduces reserve funding, it must perform a **Structural Integrity Reserve Study (SIRS)** before continuing reserve contribution in order to determine the association’s reserve funding needs and to recommend a reserve funding plan.
* Allows for funding of **Structural Integrity Reserve Study (SIRS)** reserves by the pooling accounting method and allows boards to change the accounting methods for reserves to a pooling accounting method or a straight-line accounting method without a vote of the members.

**House Bill 913 / Senate Bill 1742 – Summary of Legislation**

**Annual Budget Requirements**

***Relating to the budget requirements for condominium associations, the bill:***

* Requires associations to simultaneously propose a substitute budget that excludes any discretionary spending if the proposed budget exceeds 115 percent of the assessments of the preceding year.
* Requires that the substitute budget be presented to the unit owners for approval before a budget can be adopted.
* Revises the expenses that associations can exclude when determining whether assessments exceed 115 percent of the assessments of the preceding year by:
	+ Removing “assessments for the betterment of the community”
	+ Limiting the exclusion of anticipated expenses to expenses related to the **Structural Integrity Reserve Study (SIRS) inspection.**

**Emergency Powers – 718.1265**

* **Evacuation Authority:** Boards have the power to order an evacuation in the event of an emergency.
* **Liability Protection:** Condominiums and Cooperatives are not liable for injuries to residents refusing to evacuate after board directive.

**Effective Date**

* This act shall take effect July 1, 2025.

**Sources**

* Florida House Bill 913
* Bill Analysis – House Bill 913
* Florida Senate Bill 1742
* Bill Analysis – Senate Bill 1742
* Chapter 2025-175 – Committee Substitute for Committee Substitute for House Bill 913
* Community Associations Institute (CAI) – Florida Legislative Alliance
	+ 2025 CAI Legislative Session Report

\*\****Questions?*** *Please do not hesitate to contact Craig Holland at* *cnh@babbins.com* *or (239) 333-1320.*