

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Regulated Industries

BILL: CS/SB 592

INTRODUCER: Banking and Insurance Committee and Senator Leek

SUBJECT: My Safe Florida Condominium Pilot Program

DATE: March 24, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Thomas	Knudson	BI	Fav/CS
2.	Oxamendi	Imhof	RI	Pre-meeting
3.			FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 592 revises provisions of the My Safe Florida Condominium Pilot Program (program) within the Department of Financial Services (DFS) to:

- Revise the definition of “condominium” to exclude detached units on individual parcels of land.
- Limit participation in the program to condominiums that are three stories or more in height and require the structure or building that is the subject of the mitigation grant to include at least one residential unit within such structure or building.
- Require approval of at least 75 percent of all unit owners who reside within the structure or building that is the subject of the mitigation grant, rather than a unanimous vote of all unit owners.
- Eliminate the restrictions that limit grant contributions for:
 - A roof-related project, to \$11 per square foot multiplied by the roof’s square footage, not to exceed \$1,000 per unit, with a maximum grant award of 50 per cent of the project’s cost.
 - An opening protection-related project, to \$750 per window or door, not to exceed \$1,500 per unit, with a maximum grant award of 50 percent of the project’s cost, and opening protection-related projects to \$750 per replacement window.
- Specify the roof mitigation techniques that may receive a grant award.
- Require that the improvements must be verified during the final hurricane mitigation inspection in order to qualify for grant funds.

- Provide that grant funds may only be awarded if the mitigation improvement will result in an insurance premium mitigation credit, discount, or other rate differential.

While the program is subject to annual appropriations, this bill has no fiscal impact on state or local government.

The bill provides an effective date of July 1, 2025.

II. Present Situation:

The Legislature created the My Safe Florida Condominium Pilot Program (program) within the DFS, in 2024.¹ The program received a nonrecurring appropriation of \$30 million from the General Revenue Fund.² The program provides a condominium association (association) a program similar to that of the My Safe Florida Home Program for single-family, detached residential properties and townhomes.³ Implementation of the program is subject to annual legislative appropriations. The program supports eligible condominium associations by providing free inspections and grant funding for wind mitigation improvements, which may have the added benefit of lowering wind insurance premiums.

The program is limited to associations located in the “service area,” which is the area of the state within 15 miles inward of a coastline as defined in s. 376.031, F.S.⁴ The terms “association,”⁵ “board of administration,”⁶ “condominium,”⁷ “condominium parcel,”⁸ “unit,”⁹ “unit owner”¹⁰ and “voting interest”¹¹ have the same meaning as those terms are defined in s. 718.103, F.S.

¹ Chapter 2024-108, L.O.F.

² Line 2375 of the General Appropriations Act, ch. 2024-231, L.O.F. (\$27,636,000 for grants; \$600,000 for inspections; and \$1,764,000 for operations and administration).

³ See s. 215.5586, F.S.

⁴ “Coastline” means the line of mean low water along the portion of the coast that is in direct contact with the open sea and the line marking the seaward limit of inland waters, as determined under the Convention on Territorial Seas and the Contiguous Zone, 15 U.S.T. (Pt. 2) 1606. Section 376.031(4), F.S.

⁵ “Association” means, in addition to any entity responsible for the operation of common elements owned in undivided shares by unit owners, any entity which operates or maintains other real property in which unit owners have use rights, where membership in the entity is composed exclusively of unit owners or their elected or appointed representatives and is a required condition of unit ownership. Section 718.103(3), F.S.

⁶ “Board of administration” or “board” means the board of directors or other representative body which is responsible for administration of the association. Section 718.103(5), F.S.

⁷ “Condominium” means that form of ownership of real property created pursuant to ch. 718, F.S., which is comprised entirely of units that may be owned by one or more persons, and in which there is, appurtenant to each unit, an undivided share in common elements. Section 718.103(12), F.S.

⁸ “Condominium parcel” means a unit, together with the undivided share in the common elements appurtenant to a unit. Section 718.103(13), F.S.

⁹ “Unit” means a part of the condominium property which is subject to exclusive ownership. A unit may be in improvements, land, or land and improvements together, as specified in the declaration. Section 718.103(31), F.S.

¹⁰ “Unit owner” or “owner of a unit” means a record owner of legal title to a condominium parcel. Section 718.103(32), F.S.

¹¹ “Voting interest” means the voting rights distributed to the association members pursuant to s. 718.104(4), F.S. In a multicondominium association, the voting interests of the association are the voting rights distributed to the unit owners in all condominiums operated by the association. On matters related to a specific condominium in a multicondominium association, the voting interests of the condominium are the voting rights distributed to the unit owners in that condominium. Section 718.103(34), F.S.

The DFS issued its first report on the program with the following findings:

- Tidal Basin selected to run the program on August 1, 2024.
- The International Association of Certified Home Inspectors selected on November 12, 2024, as the inspection company to conduct the inspections.
- The program is launched on November 14, 2024.
- The online application portal opened on November 14, 2024, and closed on November 19, 2024, due to the sufficiency of applications.
- 174 requests for inspections received; 165 requests approved.
- The approval of grant awards is waiting for the completion of inspections.¹²

Condominium Associations and Unit Owners

A condominium is a “form of ownership of real property created pursuant to this chapter, which is comprised entirely of units that may be owned by one or more persons, and in which there is, appurtenant to each unit, an undivided share in common elements.” Condominiums are created under ch. 718, F.S.,¹³ the “Condominium Act.” Condominium unit owners are in a unique legal position because they are exclusive owners of property within a community, joint owners of community common elements, and members of the condominium association.¹⁴ For unit owners, membership in the association is an unalienable right and required condition of unit ownership.¹⁵

The term “unit” means “a part of the condominium property which is subject to exclusive ownership. A unit may be in improvements, land, or land and improvements together, as specified in the declaration.”¹⁶

To apply for an inspection of condominium parcels under the program, the association must receive approval by a majority vote of the board of administration or a majority vote of the total voting interests of the association.¹⁷ In order to apply for a grant, the association must receive both of the following:

- Approval by a majority vote of the board of administration or a majority vote of the total voting interests of the association to participate in a mitigation grant; and
- A unanimous vote of all unit owners within the structure or building that is the subject of the mitigation grant.¹⁸

Associations may vote on participation in the program at either an annual meeting or a unit owner meeting called for the purpose of taking a vote on such participation.¹⁹ The association must provide unit owners with clear disclosure of the program prior to a vote taking place.²⁰ The president and treasurer of the board of administration are required to sign the disclosure form

¹² *My Safe Florida Condominium Pilot Report*, February 1, 2025 (on file with the Senate Committee on Banking and Insurance).

¹³ Section 718.103(12), F.S.

¹⁴ *See* s. 718.103, F.S., for the terms used in the Condominium Act.

¹⁵ Section 718.103(3), F.S.

¹⁶ Section 718.103(31), F.S.

¹⁷ Section 215.55871(2)(a), F.S.

¹⁸ Section 215.55871(2)(b), F.S.

¹⁹ Section 215.55871(2)(d), F.S.

²⁰ *Id.*

indicating a copy of the disclosure form was provided to each unit owner.²¹ The association must maintain the signed disclosure form and the minutes from the meeting at which the unit owners voted to participate in the program as part of the official records of the association.²² Within 14 days after an affirmative vote to participate in the program, the association must provide written notice as required under s. 718.112(2)(d), F.S., to all unit owners of the decision to participate in the program.²³

Hurricane Mitigation Inspectors

Only licensed inspectors may perform inspections of the property to determine the mitigation measures that are needed, the insurance premium discounts that may be available, and which identify recommended improvements the association may take to mitigate hurricane damage.²⁴ The DFS must contract with wind certification entities to provide the inspections.²⁵ Eligible wind certification entities must, at a minimum:

- Use inspectors who are licensed or certified as:
 - A building inspector under s. 468.607, F.S.;
 - A general, building, or residential contractor under s. 489.111, F.S.;
 - A professional engineer under s. 471.015, F.S.;
 - A professional architect under s. 481.213, F.S.; or
 - A home inspector under s. 468.8314, F.S., who has completed at least three hours of hurricane mitigation training approved by the Construction Industry Licensing Board, which must include hurricane mitigation techniques, compliance with the uniform mitigation verification form, and completion of a proficiency exam;
- Use inspectors who have undergone drug testing and a background screening that includes submission and processing of fingerprints; and
- Provide a quality assurance program, including a reinspection component.²⁶

Hurricane Mitigation Inspections

Hurricane mitigation inspections provided to an association, must, at a minimum, include:

- An inspection of the property, and a report that summarizes the results and identifies recommended improvements the association may take to mitigate hurricane damage;
- A range of cost estimates regarding the recommended mitigation improvements; and
- Information regarding estimated insurance premium discounts, correlated to the current mitigation features and the recommended mitigation improvements identified by the inspection.²⁷

An application for an inspection must contain a signed or electronically verified statement made under penalty of perjury by the president of the board of administration that the association has

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ Section 215.55871(3)(a), F.S.

²⁵ Section 215.55871(3)(b), F.S.

²⁶ *Id.*

²⁷ Section 215.55871(4)(a), F.S.

submitted only a single application for each property that the association operates or maintains.²⁸ An association may apply for and receive an inspection without also applying for a grant.²⁹

Mitigation Grants

Grants must be used by associations to make improvements recommended by an inspection which increases the condominium parcel's resistance to hurricane damage.³⁰ An application for a grant must:

- Contain a signed or electronically verified statement made under penalty of perjury by the president of the board of administration that the association has submitted only a single application for each property that the association operates or maintains;
- Include a notarized statement from the president of the board of administration containing the name and license number of the contractor it intends to use for the mitigation project; and
- Include a notarized statement from the president of the board of administration which commits to the DFS that the association will complete the mitigation improvements. If the grant will be used to improve units, the application must also include an acknowledged statement from each unit owner who is required to provide approval for a grant.³¹

An association may select its own contractor for the mitigation project so long as the contractor meets all qualification, certification, or licensing requirements in general law.³² A mitigation project must be performed by a properly licensed contractor who has secured all required local permits necessary for the project.³³ The DFS must electronically verify that the contractor's state license number is accurate and up to date before approving a grant application.³⁴

All grants must be matched on the basis of one dollar provided by the association for two dollars provided by the state.³⁵ An association may receive grant funds for both roof-related and opening protection-related projects, but the total grant award may not exceed \$175,000 per association.³⁶ The maximum grant contribution for:

- Roof-related projects is \$11 per square foot multiplied by the square footage of the replacement roof, not to exceed \$1,000 per unit, with a maximum grant award of 50 percent of the cost of the project.
- Opening protection-related projects is \$750 per replacement window or door, not to exceed \$1,500 per unit, with a maximum grant award of 50 percent of the cost of the project.³⁷

An association awarded a grant must complete the entire mitigation project in order to receive the final grant award and must agree to make the property available for a final inspection once the mitigation project is finished.³⁸ The mitigation project must be completed in a manner

²⁸ Section 215.55871(4)(b), F.S.

²⁹ Section 215.55871(4)(c), F.S.

³⁰ Section 215.55871(5), F.S.

³¹ Section 215.55871(5)(a), F.S.

³² Section 215.55871(5)(b), F.S.

³³ *Id.*

³⁴ *Id.*

³⁵ Section 215.55871(5)(d)1., F.S.

³⁶ Section 215.55871(5)(d)4., F.S.

³⁷ Section 215.55871(5)(d)2.-3., F.S.

³⁸ Section 215.55871(5)(c), F.S.

consistent with the intent of the program and must meet or exceed applicable Florida Building Code requirements.³⁹ The association must submit a request to the DFS for a final inspection, or request an extension of time, within one year after receiving grant approval; otherwise the application is deemed abandoned and the grant money reverts back to the DFS.⁴⁰

When recommended by a hurricane mitigation inspection report, grants may be used for the following improvements:

- Opening protection, including exterior doors, garage doors, windows, and skylights;
- Reinforcing roof-to-wall connections;
- Improving the strength of roof-deck attachments; and
- Secondary water barrier for roof.⁴¹

If improvements to protect the property that complied with the current applicable building code at the time have been previously installed, the association must use a mitigation grant to install improvements that do both of the following:

- Comply with or exceed the applicable building code in effect at the time the association applied for the grant; and
- Provide more protection than the improvements that the association previously installed.⁴²

The association may not use a mitigation grant to:

- Install the same type of improvements that were previously installed; or
- Pay a deductible for a pending insurance claim for damage that is part of the property for which grant funds are being received.⁴³

Contract Management

The DFS is charged with developing a process that ensures the most efficient means to collect and verify grant applications to determine eligibility and may direct hurricane mitigation inspectors to collect and verify grant application information or use the Internet or other electronic means to collect information and determine eligibility.⁴⁴ The DFS may contract with third parties for grant management, inspection services, contractor services, information technology, educational outreach, and auditing services.⁴⁵ Such contracts are considered direct costs of the program and are not subject to administrative cost limits.⁴⁶ Such contracts must be with providers that have a demonstrated record of successful business operations in areas directly related to the services to be provided and must ensure the highest accountability for use of state funds.⁴⁷

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ Section 215.55871(5)(e), F.S.

⁴² Section 215.55871(5)(g)1., F.S.

⁴³ Section 215.55871(5)(g)2., F.S.

⁴⁴ Section 215.55871(5)(h), F.S.

⁴⁵ Section 215.55871(6)(a), F.S.

⁴⁶ *Id.*

⁴⁷ *Id.*

The DFS is required to implement a quality assurance and reinspection program that determines whether initial inspections and mitigation improvements are completed in a manner consistent with the intent of the program.⁴⁸ The DFS may use a valid random sampling in order to perform the quality assurance portion of the program.⁴⁹

Reports

By February 1 of each year, the DFS must submit a report to the President of the Senate and the Speaker of the House of Representatives on the activities of the program and the use of state funds.⁵⁰ The report must include:

- The number of inspections requested;
- The number of inspections performed;
- The number of grant applications received;
- The number of grants approved and the monetary value of each grant;
- The estimated average annual amount of insurance premium discounts each association received and the total estimated annual amount of insurance premium discounts received by all associations participating in the program; and
- The estimated average annual amount of insurance premium discounts each unit owner received as a result of the improvements to the building or structure.⁵¹

Requests for Information

During the application process, the DFS may request an applicant provide additional information.⁵² If the DFS does not receive a response for additional information from the applicant within 60 days after the applicant is notified of the error or omission, the application is deemed withdrawn by the applicant.⁵³

Rulemaking Authority

The DFS is authorized to adopt rules pursuant to ss. 120.536(1) and 120.54, F.S., to implement the program.⁵⁴

III. Effect of Proposed Changes:

The bill amends s. 215.55871, F.S., to:

- Revise the definition of “condominium,” as defined in s. 718.103, F.S., for the purpose of s. 215.55871, F.S., to exclude detached units on individual parcels of land from the definition.
- Limit participation in the Program to condominiums that are three stories or more in height and require the structure or building that is the subject of the mitigation grant to include at least one residential unit within such structure or building.

⁴⁸ Section 215.55871(6)(b), F.S.

⁴⁹ *Id.*

⁵⁰ Section 215.55871(7), F.S.

⁵¹ *Id.*

⁵² Section 215.55871(8), F.S.

⁵³ *Id.*

⁵⁴ Section 215.55871(9), F.S.

- Require approval of at least 75 percent of all unit owners who reside within the structure or building that is the subject of the mitigation grant, rather than a unanimous vote of all unit owners.
- Eliminate the restrictions that limit grant contributions for:
 - A roof-related project, to \$11 per square foot multiplied by the roof's square footage, not to exceed \$1,000 per unit, with a maximum grant award of 50 percent of the project's cost.
 - An opening protection-related project, to \$750 per window or door, not to exceed \$1,500 per unit, with a maximum grant award of 50 percent of the project's cost, and opening protection-related projects to \$750 per replacement window.
- Specify that grants for the roof-related improvements may include:
 - Reinforcing roof-to-wall connections.
 - Improving the strength of roof-deck attachments.
 - Installing secondary water resistance for the roof.
 - Replacing the roof covering.
- Specify that for buildings with a flat roof, if improvements to protect the property that complied with the current applicable building code at the time have been previously installed, the association must use the mitigation grant to install improvements that both:
 - Comply with or exceed the applicable building code in effect when the association applied for the grant; and
 - Provide more hurricane protection than the improvements the association previously installed.
- Repeal language stating that grants may be used for a previously inspected existing structure on the property. The language could be interpreted to allow grant applications to circumvent the Program's requirement that inspections be provided by the Program using only certain hurricane mitigation inspections.
- Require that the improvements must be verified during the final hurricane mitigation inspection in order to qualify for grant funds.
- Provide that grant funds may only be awarded if the mitigation improvement will result in an insurance premium mitigation credit, discount, or other rate differential. If necessary for the structure to qualify for a mitigation credit, discount, or other rate differential, the DFS must require that improvements be made to all openings as a condition of reimbursing a condominium association approved for a grant.

The bill provides an effective date of July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill limits which associations may participate in the program but makes it more flexible for those associations that do participate.

C. Government Sector Impact:

While the program is subject to annual appropriations, this bill has no fiscal impact on state or local government. The program was funded in fiscal year 2024-25 through a nonrecurring appropriation of \$30 million from the General Revenue Fund (\$27,636,000 for grants; \$600,000 for inspections; and \$1,764,000 for operations and administration).

VI. Technical Deficiencies:

The bill revises the definition of “condominium,” as defined in s. 718.103, F.S., for the purpose of s. 215.55871, F.S., to exclude detached units on individual parcels of land from the definition. A condominium parcel consists of a unit, together with the undivided share in the common elements appurtenant to the unit.⁵⁵ Therefore, a condominium unit cannot be detached from a condominium.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 215.55871 of the Florida Statutes.

⁵⁵ Section 718.103(13), F.S.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance Committee on March 3, 2025:

The committee substitute makes the following changes:

- Provides that grant funds may only be awarded if the mitigation improvement will result in an insurance premium mitigation credit, discount, or other rate differential.
- Provides that the improvements must be verified during the final hurricane mitigation inspection in order to qualify for grant funds.

- B. **Amendments:**

None.