FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

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BILL #: CS/HB 913	**COMPANION BILL:** SB 1742 (Bradley)
TITLE: Condominium Associations	**LINKED BILLS:** None
SPONSOR(S): Lopez, V.	**RELATED BILLS:** None

Committee References

Housing, Agriculture & Tourism
18 Y, 0 N, As CS
➤ Budget ➤ Commerce

SUMMARY

Effect of the Bill:

The bill:

- Prohibits Citizens Property Insurance Corporation from issuing or renewing a policy for a unit owner or a condominium association unless the association has completed a milestone inspection and a structural integrity reserve study (SIRS), if applicable;
- Provides 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;
- Allows the board of directors of an association to levy special assessments and obtain loans to perform necessary maintenance, as required by the milestone inspection report and SIRS report, without the prior approval of the condominium association's membership;
- Provides that the members of a unit-owner-controlled association may approve, by majority vote, a secured line of credit up to a certain amount to meet the reserve funding schedule recommended by the SIRS report;
- Permits an association's reserve accounts to be pooled for two or more required components of the SIRS;
- Provides that it is a conflict of interest for any person who performs a SIRS or milestone inspection to provide services for the repair of the condominium property that was the subject of such SIRS or milestone inspection, or to have a financial interest in the person or entity providing the repairs; and
- Requires DBPR to initiate certain rulemaking.

Fiscal or Economic Impact:

The bill has an indeterminate effect on state government and the private sector.

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ANALYSIS

EFFECT OF THE BILL:

Citizens Property Insurance Corporation

The bill prohibits Citizens Property Insurance Corporation from issuing or renewing an insurance policy for a condominium unit owner or a condominium association ***unless*** the condominium association has complied with the requirements in s. 553.899, F.S., relating to milestone inspections, and 718.112(2)(g), F.S., relating to structural integrity reserve studies (SIRS). (Section 1.)

Amendment to Association Declaration

The bill provides that the declaration of a nonresidential condominium formed after July 1, 2025, may be amended to change the configuration or size of a unit in any material fashion, materially alter or modify the appurtenances to the unit, or change the proportion or percentage by which the unit owner shares the common expenses of the condominium and owns the common surplus of the condominium, ***if*** the record owners of all affected units and all

record owners of liens on the affected units join in the execution of the amendment. The approval of the owners of nonaffected units is not required under the bill. (Section 2.)

Insurance Coverage for Associations

The bill clarifies that every condominium association must provide adequate property insurance, as determined under paragraph (11)(a) of s. 718.111, F.S., regardless of any requirement in the declaration of condominium for different coverage for the association. (Section 3.)

Further, the bill provides 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, as determined by an independent insurance appraisal or update of a previous appraisal. The bill requires that the replacement cost of property covered must be determined every 3 years, at a minimum. (Section 3.)

Board of Administration Meetings

The bill clarifies that, at least four times each year, the meeting agenda for an association's board meeting must include an opportunity for members to ask questions of the board, ***including questions relating to the status of any construction or repair projects, the status of all revenue and expenditures during the current fiscal year, and any other issues affecting the condominium***. (Section 5.)

Pursuant to the above changes, the bill clarifies that the association may adopt written reasonable rules governing the frequency, duration, and manner of unit owner statements ***and questions***. (Section 5.)

Additionally, the bill requires an association to post on its website the adopted minutes of all meetings of the association, the board of administration, and the unit owners over the preceding 7 years. This requirement, however, does not go into effect until January 1, 2025. (Section 4.)

Annual Budgets

For an annual budget adopted on or before December 31, 2027, the bill authorizes the members of a unit-owner-controlled association to approve, by a majority vote of the total voting interests of the association, the provision of a secured line of credit for up to 35 percent of the amount of the reserves required to meet the reserve funding schedule recommended by a SIRS with respect to items with an estimated remaining useful life of greater than 10 years. (Section 5.)

Structural Integrity Reserve Studies

The bill provides that it is a conflict of interest for any person who performs a SIRS or a milestone inspection to:

- Provide services for the repair or replacement of the condominium property that was the subject of such milestone inspection or SIRS, or
- To have a financial interest in the entity or person providing the repair or replacement services. (Section 5.)

The bill clarifies that four-family dwelling units are exempt from the SIRS requirements, similar to such units' exemption from the milestone inspection requirements. (Section 5.)

Additionally, the bill requires the Department of Business and Professional Regulation, by October 1, 2025, to initiate rulemaking to establish criteria for determining the estimated useful life of the building components that are subject to SIRS. (Section 5.)

The bill authorizes an association's reserve accounts for two or more required components to be pooled. The bill requires that the reserve funding indicated in the proposed annual budget must be sufficient to ensure that available funds meet or exceed projected expenses for all components in the reserve pool, based on the most recent SIRS. (Section 5.)

The bill allows a board of an association to pause contributions to its reserves, without obtaining the prior approval of a majority of its members, if a local building official determines that a condominium building is uninhabitable due to a natural emergency.[1] (Section 5.)

Recall of Board Members

The bill significantly revises provisions relating to recalls of board members. Under the bill, a voting interest of the condominium may not be suspended when voting to recall a member of the board, and any prior suspension of voting rights pursuant to s. 718.303(5), F.S., has no effect on a recall vote. (Section 5.)

The bill also requires that a proposed recall agreement or a copy thereof must be served on the association by registered mail or in the manner authorized by ch. 48, F.S., and the Florida Rules of Civil Procedure (FRCP).[2] Methods of service that are not authorized by ch. 48, F.S., and FRCP are invalid and any service that does not comply with ch. 48, F.S., and FRCP is void. (Section 5.)

Under the bill, the rejection of a unit owner's recall agreement applies when the recall agreement:

- Was improperly served;
- Was executed by a person who was not a unit's record owner or designated voter;
- Was previously marked for the removal of any board member;
- Does not contain any markings that indicate the selection by a unit owner to either remove or retain a board member; or
- Does not contain the signature of the unit owner. (Section 5.)

The bill creates a rebuttable presumption that a unit owner executing a recall agreement is the designated voter for the unit. Additionally, the bill prohibits an association from enforcing a voting certificate requirement if the association has not enforced such requirement in all matters requiring the use of voting certificates in the year immediately preceding service of the recall agreement. (Section 5.)

Further, the bill requires that the rescission or revocation of a unit owner's recall agreement must be in writing and delivered to the association before the association is served with the written recall agreement. The bill requires these provisions be liberally construed to:

- Ensure a unit owner is not disenfranchised by an association in a recall; and
- Prevent an association from failing to certify a recall agreement on a technical omission which is not a part in the discharge of the unit owner's voting rights. (Section 5.)

Director or Officer Delinquencies

The bill clarifies due dates for purposes of director or officer delinquencies. A director or an officer is delinquent if a payment is not made by the due date specifically identified in the association's governing documents. In the absence of a due date specified in the governing documents, the due date is the first day of the assessment period. (Section 5.)

Hurricane Protection

The bill clarifies that, ***unless otherwise provided in an association's declaration***, a unit owner is not responsible for the cost of any removal or reinstallation of hurricane protection, including exterior windows, doors, or other apertures, if the removal is necessary for the maintenance, repair, or replacement of other condominium property for which the association is responsible. (Section 6.)

Accordingly, the board must determine if the removal or reinstallation of hurricane protection must be completed by the unit owner or the association ***if the declaration does not specify who is responsible for such costs***. (Section 6.)

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[1] Natural emergency means an emergency caused by a natural event, including, but not limited to, a hurricane, storm, flood, severe wave action, drought, or earthquake. S. 252.34(8), F.S.

[2] *See* Fla. Rules of Court Procedure, Ch. 1: Rules of Civil Procedure (Jan. 1, 2025), https://www-media.floridabar.org/uploads/2025/01/Civil-Procedure-Rules-01-01-25-Corrected-Opinion.pdf (last visited Mar. 9, 2025).

The bill removes the ability of an association to assess a unit owner if the association removes or reinstalls hurricane protection in instances where the removal or reinstallation of hurricane protection is the responsibility of a unit owner. (Section 6.)

Board's Authority to Levy Special Assessments and Obtain Loans

The bill makes the following legislative findings:

- In some circumstances, an association's governing documents restrict the authority of its board to levy special assessments or obtain loans without the prior approval of its membership, which may preclude the association from obtaining immediate funding to carry out its obligations to perform necessary maintenance, repair, or replacement of the condominium property, as required by the milestone inspection report and SIRS report, in order to protect the health and safety of unit owners and tenants.
- It is contrary to the public policy of this state to limit the ability of an association to obtain the funds needed to perform necessary maintenance, repair, or replacement of the condominium property, as required by the reports referenced above, in order to protect unit owners and tenants.
- It is in the public interest to authorize an association's board to meet its fiduciary duty and levy special assessments or obtain loans to fund necessary maintenance, repair, or replacement of the condominium property, as required by the reports referenced above, to protect unit owners and tenants. (Sections 3 and 7.)

Notwithstanding any provision to the contrary in an association's governing documents, the bill authorizes a board of an association to levy special assessments or obtain loans to perform necessary maintenance, repair, or replacement of condominium property, as required by the milestone inspection report and SIRS report, without the prior approval of the membership in order to protect the health and safety of unit owners and tenants. This authorization applies to all condominiums in existence on or after July 1, 2025, which are not subject to control of the developer, a bulk assignee, or a bulk buyer. (Sections 3 and 7.)

Termination of a Condominium

The bill clarifies that a condominium form of ownership may be terminated if the total estimated cost of construction, replacement, or repairs necessary to construct or replace the intended improvements (or restore the improvements to bring them into compliance with the most recent version of the Florida Building Code or to bring them into compliance with applicable laws or regulations) plus the combined estimated fair market value of the units in the condominium before commencement of the construction, replacement, or repairs, exceeds the combined estimated fair market value of the units in the condominium after completion of such construction, replacement, or repairs. However, if at least 50 percent of the total voting interests are owned by a bulk owner, the termination of the condominium unit because of economic waste requires the approval of at least 80 percent of all the voting interests in the condominium. (Section 8.)

Additionally, for optional terminations under s. 718.117, F.S., the bill:

- Clarifies that if 5 percent or more of the total voting interests of the condominium have rejected a plan of termination by a negative vote or by providing written objections, the plan of termination may not proceed and a subsequent plan of termination may not be considered for 24 months after the date of the rejection;
- Provides that the requirements of paragraph (3)(c) apply only to residential condominiums; and
- Clarifies that the termination must be approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes (Division) only after a plan of termination receives the requisite approval from the unit owners. (Section 8.)

The bill also provides that, notwithstanding any provision in an association's declaration to the contrary, the association may amend the declaration of condominium for the purpose of incorporating the provisions of s. 718.117, F.S., by the lowest percentage of voting interests necessary to amend the declaration or as otherwise provided in the declaration, whichever is less. (Section 8.)

Alternative Dispute Resolution

If an election or recall dispute is arbitrated by the Division, the bill provides that the Division's decision is binding on all parties to the arbitration, with certain exceptions. The bill clarifies that for all other disputes, the arbitration decision is binding on all parties only if the parties agree in writing to be so bound. (Section 9.)

Under the bill, if a challenge to an election or recall dispute is filed in circuit court, the challenge must be brought as a summary proceeding.[3] The bill allows the party filing the action to request the court to issue a temporary injunction to stay an upcoming election while the action is pending. The court must then set an immediate hearing when an action is filed pursuant to these provisions. (Section 9.)

Additionally, the bill:

- Allows the court to limit the time for taking testimony and the proximity of the date on which a succeeding election is scheduled, if applicable;
- Requires that an action filed pursuant to these provisions must be tried without a jury; and
- Provides that the prevailing party in an action filed pursuant to these provisions is entitled to recover reasonable attorney fees and costs. (Section 9.)

The bill also provides that a unit owner, recall representative, or an association may remove a petition for arbitration for an election or a recall dispute within 10 days after service of such petition by filing a notice of removal and complaint in the circuit court for the county in which the association is located. Failure to timely file such notice and complaint bars the parties from seeking a new trial or otherwise filing an action in circuit court. The bill provides requirements for filing the notice and complaint and the procedures to follow thereafter. (Section 9.)

Lastly, the bill provides that if the Division or a court in Florida renders a judgement against an association and in favor of the unit owner, the Division or court must order the association to pay all costs incurred by the unit owner in the action and the unit owner's reasonable attorney fees. Costs and attorney fees may not be recovered in any action involving the recall of directors except as provided in the bill's provisions relating thereto or if awarded as a sanction under s. 57.105, F.S.[4] (Section 9.)

Electronic Voting

The bill removes the requirement that a written notice of a meeting, at which a particular resolution will be considered, must be mailed, delivered, or electronically transmitted to the unit owners and posted conspicuously on the condominium property or association property at least 14 days before such meeting. The bill also removes the related requirement that evidence of compliance with the 14-day notice must be made by an affidavit executed by the person providing the notice and filed with the official records of the association (Section 10.)

The bill creates an alternative method for an association to use electronic voting, in addition to the methods already allowed in s. 718.128, F.S. Under the bill, if at least 25 percent of the voting interests of a condominium petition the board to adopt a resolution for electronic voting for the next scheduled election, the board must hold a meeting within 21 days after receipt of the petition to adopt that resolution. As a prerequisite, the bill requires that the board receive such petition within 180 days after the date of the last scheduled annual meeting. (Section 10.)

Additionally, the bill:

- Requires an association to designate an email address for receipt of electronically submitted ballots, unless the association has adopted electronic voting in accordance with the other provisions of s. 718.128, F.S.;
- Allows a unit owner to electronically transmit a ballot to the email address designated by his or her association without complying with s. 718.112(2)(d)2., F.S., or the rules providing for the secrecy of ballots adopted by the Division;
- Requires an association to count completed ballots that are electronically transmitted to the designated email address, provided the completed ballot is valid under the bill's provisions;

[3] S. 51.011, F.S.

[4] S. 57.105, F.S. contain Florida's Rules of Civil Procedure relating to attorney's fees, sanctions for unsupported claims or defenses, certain exceptions, the service of motions, and damages for delay of litigation.

- Requires a unit owner to transmit his or her ballot to the email address designated by his or her association no later than the scheduled date and time of the meeting during which the matter is being voted on; and
- Creates a rebuttable presumption that an association has reviewed all folders associated with the email address designated by the association to receive ballots if a board member, an officer, an agent of the association, or a licensed community association manager[5] provides a sworn affidavit attesting to such review. (Section 10.)

Under the bill, a ballot that is electronically transmitted must include all of the following:
- A space for the unit owner to type in his or her unit number;
- A space for the unit owner to type in his or her first and last name, which also functions as the signature of the unit owner for purposes of signing the ballot; and
- The following statement in capitalized letters and in a font size larger than any other font size used in the email from the association to the unit owners:

  WAIVING THE SECRECY OF YOUR BALLOT IS YOUR CHOICE. YOU DO NOT HAVE TO WAIVE THE SECRECY OF YOUR BALLOT IN ORDER TO VOTE. BY TRANSMITTING YOUR COMPLETED BALLOT THROUGH EMAIL TO THE ASSOCIATION, YOU WAIVE YOUR SECRECY OF YOUR COMPLETED BALLOT. IF YOU DO NOT WISH TO WAIVE YOUR SECRECY BUT WISH TO PARTICIPATE IN THE VOTE THAT IS THE SUBJECT OF THIS BALLOT, PLEASE ATTEND THE IN-PERSON MEETING DURING WHICH THE MATTER WILL BE VOTED ON. (Section 10.)

Insured Warranty Programs

The bill clarifies that nonresidential condominiums, not just residential condominiums, may be covered by an insured warranty program that is underwritten by a licensed insurance company registered in Florida, provided that the warranty program meets the minimum requirements. (Section 11.)

Transfer of Association Control

The bill provides that, beginning July 1, 2025, certain provisions relating to transfers of control do not apply to nonresidential condominiums that are comprised of 10 or fewer units, so that unit owners of such condominiums, other than the developer, will be entitled to elect at least a majority of the members of the board upon the first to occur of the following events:
- Three months after 90 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
- When the developer files a petition seeking protection in bankruptcy; or
- When a receiver for the developer is appointed by a circuit court and is not discharged within 30 days after such appointment, unless the court determines within 30 days after appointment of the receiver that transfer of control would be detrimental to the association or its members. (Section 12.)

Agreements Entered into By the Association

The bill amends provisions relating to agreements entered into by an association to incorporate nonresidential condominiums consisting of 10 or fewer units. The bill provides that a grant, reservation, or contract may be cancelled by unit owners (other than the developer) as follows:
- If the association operates only one condominium and the unit owners (other than the developer) own at least 75 percent of the voting interests in the condominium, ***or 90 percent of the voting interests if the condominium is a nonresidential condominium consisting of 10 or fewer units***, the cancellation must be by concurrence of the owners of at least 75 percent of the voting interests (other than the voting interests owned by the developer).
- If the association operates more than one condominium and the unit owners (other than the developer) have not assumed control of the association, and if unit owners (other than the developer) own at least 75 percent of the voting interests in the condominiums operated by the association or, ***beginning July 1,***

[5] Part VIII of ch. 468, F.S., governs the licensure and regulation of community association managers and community association management firms in the state. *See* s. 468.432, F.S. and s. 468.433, F.S.

2025, 90 percent of the voting interests if the condominium is a nonresidential condominium consisting of 10 or fewer units, any grant, reservation, or contract for maintenance, management, or operation of buildings containing the units in that condominium or of improvements used only by unit owners of that condominium may be cancelled by concurrence of the owners of at least 75 percent, or ***90 percent if the condominium is a nonresidential condominium consisting of 10 or fewer units***, of the voting interests in the condominium (other than the voting interests owned by the developer). (Section 13.)

Condominiums Created Within a Portion of a Building

The bill clarifies that a condominium association created within a portion of a building under s. 718.407, F.S., may inspect and copy the books and records upon which the costs for maintaining and operating any shared facilities are based, and ***must*** receive an annual budget with respect to such costs. (Section 14.)

Additionally, the bill requires that, within 60 days after the end of each fiscal year, a complete financial report of all costs for maintaining and operating the shared facilities must be provided to the association. This report must include copies of all receipts and invoices. The bill allows the association to challenge any apportionment of costs for the maintenance and operation of the shared facilities, provided that the challenge is made within 60 days after receipt of the financial report. A challenge under this provision will be governed by homeowners' associations dispute provisions.[6] (Section 14.)

Developer and Non-Developer Disclosures

The bill makes clarifying and conforming changes to required disclosures for developers and non-developers prior to the sale of a residential condominium unit. (Section 15.)

Section 31 of Ch. 2024-244, Laws of Fla.

The bill clarifies that certain amendments that were made to the Act in 2024[7] do not revive, reinstate, or retroactively apply to any right or interest in a matter pending adjudication before October 1, 2024. Effectively, the bill reopens the matters that were pending adjudication before October 1, 2024, that were closed by the 2024 legislation. (Section 16.)

The effective date of the bill (other than Section 4, which has an effective date of January 1, 2026) is July 1, 2025. (Section 17.)

RULEMAKING:

The bill requires the Department of Business and Professional Regulation, by October 1, 2025, to initiate rulemaking to establish criteria for determining the estimated useful life of the building components that are subject to SIRS.

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill has an indeterminate impact on state government. Under the bill, Citizens Property Insurance Corporation (Citizens) is prohibited from issuing policies to condominium associations or unit owners that have failed to comply with the milestone inspection and SIRS requirements. This will have an indeterminate positive impact on Citizens, as Citizens will no longer have to insure condominium associations or unit owners that do not have the necessary reserve funds to undertake appropriate repairs, replacements, or maintenance.

[6] S. 710.311, F.S., contain the provisions in Florida's Homeowners' Association Act that govern dispute resolutions.
[7] S. 31 of ch. 2024-244, Laws of Fla.

PRIVATE SECTOR:

The bill has an indeterminate impact on the private sector. Under the bill, Citizens is prohibited from issuing policies to condominiums or unit owners who do not complete a milestone inspection or SIRS. Because Citizens provides property insurance to those that are unable to find insurance coverage in the private market, the condominium associations and unit owners of associations that do not complete a milestone inspection or SIRS will likely not be able to find property insurance coverage elsewhere. In the event of a natural disaster, those condominiums could be significantly damaged and not have any recourse for repairing or rebuilding, which could cause some unit owners to lose their homes.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Division of Florida Condominiums, Timeshares, and Mobile Homes

The Division of Florida Condominiums, Timeshares, and Mobile Homes (Division), within the Department of Business and Professional Regulation (DBPR), provides consumer protection for Florida residents living in certain communities through education, complaint resolution, mediation, and arbitration.[8]

The Division has regulatory authority over the following business entities and individuals:

- Condominium associations;
- Cooperative associations;
- Mobile home parks;
- Timeshares; and
- Yacht and ship brokers and salespersons.[9]

Citizens Property Insurance Corporation

Citizens was created by the Florida Legislature in August 2002 as a non-profit, tax-exempt, government entity to provide property insurance to eligible Florida property owners unable to find insurance coverage in the private market.[10] Citizens is funded by policyholder premiums; however, Florida law also requires that Citizens levy assessments on most Florida policyholders if it experiences a deficit in the wake of a particularly devastating storm or series of storms.[11]

Citizens operates according to statutory requirements established by the Florida Legislature and is governed by a board of governors.[12] The board administers a Plan of Operation approved by the Florida Financial Services Commission, an oversight panel made up of the Governor, Chief Financial Officer, Attorney General and Commissioner of Agriculture.[13]

Structural Integrity Reserve Studies

A reserve study is a budget-planning tool for condominium associations. Generally, a reserve study consists of the following two parts: physical analysis and financial analysis.[14]

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[8] Department of Business and Professional Regulation, *Department Divisions & Offices: Division of Florida Condominiums, Timeshares, and Mobile Homes*, https://www2.myfloridalicense.com/about-us/department-divisions? (last visited February 4, 2025).

[9] Department of Business and Professional Regulation, *Division of Florida Condominiums, Timeshares, and Mobile Homes – Statutes & Rules*, https://www2.myfloridalicense.com/condominiums-and-cooperatives/division-of-condominiums-timeshares-and-mobile-homes-statutes-rules/ (last visited February 4, 2025).

[10] Citizens Property Insurance Corporation, *About Citizens*, https://www.citizensfla.com/who-we-are (last visited Mar. 7, 2025).

[11] *Id.*

[12] *Id.*

[13] *Id.*

[14] Cedar Management Group, *HOA Reserve Study: Why Does Your Community Need It?*, https://cedarmanagementgroup.com/hoa-reserve-study-community/#what (last visited Mar. 5, 2025); Kevin Leonard and

Under Florida law, "structural integrity reserve study" (SIRS) means a study of the reserve funds required for future major repairs and replacement of the common areas based on a visual inspection of the common areas. A SIRS may be performed by any person qualified to perform such study. However, the visual inspection portion of the SIRS must be performed or verified by a:[15]

- Licensed engineer;
- Licensed architect; or
- person certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts (CAIAPRA).

At a minimum, a SIRS must:[16]

- 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 SIRS may recommend for any item for which an estimate of useful life and an estimate of replacement cost cannot be determined or with an estimated remaining useful life of greater than 25 years:[17]

- That reserves do not need to be maintained; or
- A deferred maintenance expense amount for such item.

A condominium or cooperative must have a SIRS completed at least every 10 years after the condominium's or cooperative's creation for each building on the condominium or cooperative property that is three stories or higher in height which includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:[18]

- Roof.
- Structure, including load-bearing walls and other primary structural members and primary structural systems.
- Fireproofing and fire protection systems.
- Plumbing.
- Electrical systems.
- Waterproofing and exterior painting.
- Windows and exterior doors.
- Any other item that has a deferred maintenance expense or replacement cost that exceeds $10,000 and the failure to replace or maintain such item negatively affects the items listed above as determined by the licensed engineer or architect performing the visual inspection portion of the structural integrity reserve study.

The SIRS requirements do not apply to:[19]

- 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.

Robert Nordlund, Understanding Reserves: A guide to your association's reserve fund & reserve study, 26-29 (1st ed. 2021); Community Associations Institute, *National Reserve Study Standards*, https://www.reservestudy.com/wp-content/uploads/2019/01/NRSS-998-CAI-version-updated-2016.pdf (last visited Mar. 5, 2025).

[15] S. 718.112(2)(g)2., F.S.

[16] S. 718.112(2)(g)3., F.S.

[17] *Id*.

[18] S. 718.112(2)(g)1., F.S.

[19] S. 718.112(2)(g)4., F.S.

Condominium or cooperative associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, must have a SIRS completed by December 31, 2024, for each building on the condominium or cooperative property that is three stories or higher in height. However, an association that is required to complete a milestone inspection on or before December 31, 2026, may complete the SIRS simultaneously with the milestone inspection. In no event may the SIRS be completed after December 31, 2026.[20]

If a condominium or cooperative association willfully and knowingly fails to complete a SIRS, such failure is a breach of an officer's and director's fiduciary relationship to the unit owners.[21]

Before a developer turns over control of an association to unit owners other than the developer, the developer must have a turnover inspection report for each building on the condominium or cooperative property that is three stories or higher in height.[22]

Reserves

Every condominium and cooperative association must have a budget that sets forth the proposed expenditure of funds for the maintenance, management, and operation of the association. The budget is adopted for a 12-month period reflecting an association's fiscal year, and it must provide a detailed listing of the estimated revenues and expenses that the association reasonably projects for the coming fiscal year. The annual budget is made up of two parts, the part covering the regular operations of the association and the part covering the cost for capital expenses and deferred maintenance (reserves).[23]

Reserves are funds that are set aside for capital expenses and deferred maintenance. Reserves provide funds for major capital repairs or replacements that are needed intermittently such as replacing a roof. The reserves are designed to ensure that an association will have the funds when the repairs are needed and will not have to do a large special assessment.[24]

The amount of funds that must be placed in reserve is determined by the condominium or cooperative association's most recent SIRS. If the amount to be reserved for an item is not in the association's most recent SIRS or the association has not completed a SIRS, then the association may use the traditional formula or alternative formula to determine the amount of funds to reserve.

Current law also requires associations to have and fund reserve accounts for roof replacement, building painting, pavement resurfacing, and any item for which the deferred maintenance expense or replacement cost is greater than $10,000.[25] There are two methods of calculating these reserves.

The first is the traditional formula, and the second is the alternative formula. The traditional formula takes into account the estimated deferred maintenance or capital expenditure amount, estimated fund balance, and number of years remaining until deferred maintenance or a capital expenditure is needed.[26]

The alternative formula allows associations to maintain a pooled account for multiple reserve assets that are similar or related.

Waiver of Reserves

For a budget adopted on or after December 1, 2024, a unit-owner controlled association that must obtain a SIRS may not waive collecting reserves or collect less reserve funds than required for items that are required to be inspected in a SIRS for an association building that is three stories or higher in height. These items are included in

[20] S. 718.112(2)(g)6., F.S.
[21] S. 718.112(2)(g)8., F.S.
[22] S. 718.112(2)(g)5., F.S.
[23] S. 718.112(2)(f), F.S.
[24] *Id.*
[25] *Id.,* Rule 61B-76.005(1), F.A.C.
[26] *Id.*; Rules 61B-22.005(3), and 61B-76.005(1), F.A.C.

the list provided in s. 718.112(2)(g), F.S., related to structural components. In addition, unit-owner controlled associations may not use such reserve funds for purposes other than their intended purpose. Associations operating a multicondominium may provide no reserves or less reserves than required by the SIRS if such multicondominium uses an alternative funding method[27] approved by the Division. This is not applicable to cooperatives.

For reserves for non-SIRS items, unit owner-controlled associations may waive funding reserves for capital expenditures and deferred maintenance or provide funds that are less than the required amount by a majority of the voting interests present at a properly called meeting. The waiver of reserves by the membership is only for the current year, and a separate vote must be taken each year to waive the reserves or fund less than the required amount.[28]

Additionally, under current law, if a local building official[29] determines that an entire condominium is uninhabitable due to a natural emergency, the board, upon the approval of a majority of its members, may pause the contribution to its reserves or reduce reserve funding until the local building official determines that the condominium building is habitable.[30]

Milestone Inspections

Residential condominium buildings that are three or four stories or more in height, as determined by the Florida Building Code, are required to have a milestone inspection by December 31 of the year in which the building reaches 30 years of age. However, if a building reaches 30 years of age before July 1, 2022, the initial milestone inspection must be performed before December 31, 2024. If a building reaches 30 years of age on or after July 1, 2022, and before December 31, 2024, the building's milestone inspection must be performed before December 31, 2025. The local enforcement agency will provide written notice of the required inspection to the association.[31] This requirement does not apply to a single-family, two-family, or three-family dwelling with three or fewer habitable stories above ground.[32]

Amendment to Association Declaration

Unless otherwise provided in the declaration as originally recorded, the Act currently prohibits an amendment to the declaration from changing the configuration or size of any unit in any material fashion, materially altering or modifying the appurtenances to the unit, or changing the proportion or percentage by which the unit owner shares the common expenses of the condominium and owns the common surplus of the condominium, ***unless the record owner of the unit and all record owners of liens on the unit join in the execution of the amendment and unless all the record owners of all other units in the same condominium approve the amendment***.[33]

Subsection (14) of s. 718.110, F.S., provides that, except for those portions of the common elements designed and intended to be used by all unit owners, a portion of the common elements serving only one unit or a group of units may be reclassified as a limited common element upon the vote required to amend the declaration as provided

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[27] "Alternative funding method" is defined as "a method approved by the Division for funding the capital expenditures and deferred maintenance obligations for a multicondominium association operating at least 25 condominiums which may reasonably be expected to fully satisfy the association's reserve funding obligations by the allocation of funds in the annual operating budget."

[28] S. 718.112(2)(f), F.S.; Rule 61B-22.005(8), F.A.C.

[29] "Building official" means any of those employees of municipal or county governments, or any person contracted, with building construction regulation responsibilities who are charged with the responsibility for direct regulatory administration or supervision of plan review, enforcement, or inspection of building construction, erection, repair, addition, remodeling, demolition, or alteration projects that require permitting indicating compliance with building, plumbing, mechanical, electrical, gas, fire prevention, energy, accessibility, and other construction codes as required by state law or municipal or county ordinance. S. 468.603(2), F.S.

[30] S. 718.112(2)(f)2.a., F.S.

[31] S. 553.899(3), F.S.

[32] S. 553.899(4), F.S.

[33] S. 718.110(4), F.S.

therein or as required under paragraph (1)(a) of s. 718.110, F.S., and is not be considered an amendment to a declaration.[34]

Insurance Coverage for Associations

In order to protect the safety, health, and welfare of the people of the state and to ensure consistency in the provision of insurance coverage to condominiums and their unit owners, subsection (11) of s. 718.111, F.S., applies to every residential condominium in the state, regardless of the date of its declaration of condominium.[35] It is the intent of the Legislature to encourage lower or stable insurance premiums for associations described in that subsection.[36]

Currently, the Act requires that adequate property insurance, regardless of any requirement in the declaration of condominium for coverage by the association for full insurable value, replacement cost, or similar coverage, must be based on the replacement cost of the property to be insured as determined by an independent insurance appraisal or update of a prior appraisal.[37] Further, the replacement cost must be determined at least once every 36 months.[38]

Board of Administration Meetings

Currently, the Act requires that a board of a residential condominium association of more than 10 units must meet at least once each quarter.[39] Additionally, at least four times each year, the meeting agenda must include an opportunity for members to ask questions of the board.[40] Meetings of the board of administration at which a quorum of the members are present are open to all unit owners.[41]

The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items, and the right to ask questions relating to:

- reports on the status of construction or repair projects,
- the status of revenues and expenditures during the current fiscal year, and
- other issues affecting the condominium.[42]

The Act authorizes associations subject to the above requirements to adopt written reasonable rules governing the frequency, duration, and manner of unit owner statements.[43]

Requirement to Post Certain Information on Association's Website

Beginning January 1, 2026, an association managing a condominium with 25 or more units that does not contain timeshare units must post copies of specified documents on its website, or make such documents available through an application that can be downloaded on a mobile device.[44] The specified documents include, but are not limited to, the association's articles of incorporation, declaration, bylaws, and rules.[45]

Director or Officer Delinquencies

A director or officer more than 90 days delinquent in the payment of any monetary obligation due to the association is deemed to have abandoned the office, which creates a vacancy in the office to be filled according to the Act.[46]

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[34] S. 710.110(14), F.S.
[35] S. 718.111(11), F.S.
[36] *Id.*
[37] S. 718.111(11)(a), F.S.
[38] *Id.*
[39] S. 718.112(2)(c), F.S.
[40] *Id.*
[41] *Id.*
[42] *Id.*
[43] *Id.*
[44] *See* s. 8 of ch. 2024-244, Laws of Fla., which amends s. 718.111(12)(g), F.S., effective January 1, 2026.
[45] *Id.*
[46] S. 718.112(2)(p), F.S.

Hurricane Protection

To protect the health, safety, and welfare of the people of the state and to ensure uniformity and consistency in the hurricane protections installed by condominium associations and unit owners, all residential and mixed-use condominiums in the state must comply with the Act's requirements for those hurricane protections.[47]

Specifically, each board of a residential or mixed-use condominium in the state must adopt hurricane protection specifications for each building within each condominium operated by the association.[48] All specifications adopted by a board must comply with the applicable building code.[49] Further, the board may, with the approval of a majority of voting interests of the condominium, install or require that unit owners install hurricane protection that complies with or exceeds the applicable building code.[50]

Under current law, a unit owner is not responsible for the cost of any removal or reinstallation of hurricane protection, including exterior windows, doors, or other apertures, if its removal is necessary for the maintenance, repair, or replacement of other property for which the association is responsible.[51]

However, the board must still determine if the removal or reinstallation of hurricane protection must be completed by the unit owner or the association.[52] If such removal or reinstallation is completed by the association, the costs incurred by the association may not be charged to the unit owner.[53] Currently, if such removal or reinstallation is completed by the unit owner, the association must reimburse the unit owner for the cost of the removal or reinstallation or the association must apply a credit toward future assessments in the amount of the unit owner's cost to remove or reinstall the hurricane protection.[54]

Board's Authority to Levy Assessments

Prior to levying any special assessment, the special assessment must be approved in accordance with the condominium association's governing documents.[55] The specific purpose of the special assessment must be set forth in a written notice of the assessment that is sent or delivered to each unit owner.[56]

Further, the funds collected pursuant to a special assessment must be used only for the specific purpose set forth in the notice.[57] However, upon completion of such specific purpose, any excess funds will be considered common surplus, and may, at the discretion of the board, either be returned to the unit owners or applied as a credit toward future special assessments.[58]

Written notice of a meeting at which a nonemergency special assessment[59] or an amendment to rules regarding unit use will be considered must be mailed, delivered, or electronically transmitted to the unit owners and posted conspicuously on the condominium property at least 14 days before the meeting.[60] Evidence of compliance with this 14-day notice requirement must be made by an affidavit executed by the person providing the notice and filed with the official records of the association.[61]

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[47] S. 718.113(5), F.S.
[48] *Id.*
[49] *Id.*
[50] *Id.*
[51] *Id.*
[52] *Id.*
[53] *Id.*
[54] *Id.*
[55] S. 718.116(10), F.S.
[56] *Id.*
[57] *Id.*
[58] *Id.*
[59] Regardless of any provision to the contrary and even if such authority does not specifically appear in an association's governing documents, a board of an association may, in response to damage or injury caused by or anticipated in connection with an emergency, as defined in s. 252.34(4), F.S., for which a state of emergency is declared in the locale in which the condominium is located, levy special assessments without a vote of the owners. S. 718.1265(1)(l), F.S.
[60] S. 718.112(2)(c)1., F.S.
[61] *Id.*

Notice of any meeting in which special assessments against unit owners are to be considered must specifically state that assessments will be considered and provide the estimated cost and description of the purposes for such assessments.[62]

Certain Defined Terms in the Act

"Developer" means a person who creates a condominium or offers condominium parcels for sale or lease in the ordinary course of business, but does not include:

- An owner or lessee of a condominium or cooperative unit who has acquired the unit for his or her own occupancy;
- A cooperative association that creates a condominium by conversion of an existing residential cooperative after control of the association has been transferred to the unit owners if, following the conversion, the unit owners are the same persons who were unit owners of the cooperative and no units are offered for sale or lease to the public as part of the plan of conversion;
- A bulk assignee or bulk buyer, as defined below; or
- A state, county, or municipal entity acting as a lessor and not otherwise named as a developer in the declaration of condominium.[63]

"Bulk assignee" means a person who is not a bulk buyer and who:

- Acquires more than seven condominium parcels in a single condominium as set forth in s. 718.707, F.S.; and
- Receives an assignment of any of the developer rights, other than or in addition to the rights that may be received by a bulk buyer, as set forth in the declaration of condominium or this chapter:
    - By a written instrument recorded as part of or as an exhibit to the deed;
    - By a separate instrument recorded in the public records of the county in which the condominium is located; or
    - Pursuant to a final judgment or certificate of title issued in favor of a purchaser at a foreclosure sale.[64]

"Bulk buyer" means a person who acquires more than seven condominium parcels in a single condominium as set forth in s. 718.707, F.S., but who does not receive an assignment of any developer rights, or receives only some or all of the following rights:

- The right to conduct sales, leasing, and marketing activities within the condominium;
- The right to be exempt from the payment of working capital contributions to the condominium association arising out of, or in connection with, the bulk buyer's acquisition of the units; and
- The right to be exempt from any rights of first refusal which may be held by the condominium association and would otherwise be applicable to subsequent transfers of title from the bulk buyer to a third-party purchaser concerning one or more units.[65]

Termination of a Condominium

Under the Act, it is against public policy in the state to require condominium operations to continue when doing so constitutes economic waste or is made impossible by law or regulation.[66] Further, the Act provides that it is in the best interest of the state to provide for termination of a condominium in certain circumstances in order to protect residents from health and safety hazards created by derelict, damaged, obsolete, or abandoned condominium properties.[67]

There are two primary grounds for termination, each governed by its own requirements.

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[62] S. 718.112(2)(c)3., F.S.
[63] S. 718.103(17), F.S.
[64] S. 718.703(1), F.S.
[65] S. 718.703(2), F.S.
[66] S. 718.117(1)(c), F.S.
[67] S. 718.117(1)(d), F.S.

First, a condominium may be terminated where there is economic waste or impossibility by a plan of termination approved by the lowest percentage of voting interests necessary to amend the condominium's declaration or as otherwise provided in the declaration for approval of termination.[68] A condominium may be terminated for "economic waste" if the total cost of construction or repairs necessary to construct the improvements or restore the improvements to their former condition or bring them into compliance with applicable laws or regulations exceeds the combined fair market value of the units in the condominium.[69] A condominium may be terminated for "impossibility" if it becomes impossible to operate or reconstruct a condominium to its prior physical configuration because of land use laws or regulations.[70]

Second, a condominium may be terminated at the discretion of the owners.[71] Referred to as "optional termination," a condominium may be terminated if the termination is approved by at least 80 percent of the total voting interests of the condominium and no more than five percent of the total voting interests of the condominium reject the termination.[72] The Division must confirm that the termination plan complies with the statutory requirements. If five percent or more of the total voting interests reject a plan of termination, another plan of optional termination may not be considered for 24 months after the date of rejection.[73]

Unless the declaration expressly provides for the allocation of the proceeds of sale of condominium property, the plan of termination may require separate valuations for the common elements.[74] However, in the absence of such provision, it is presumed that the common elements have no independent value, and that their value is incorporated into the valuation of the units.[75]

The plan must identify the termination trustee, usually the association,[76] and state the individual interests of each unit owner in the proceeds from the liquidation of the assets of the condominium upon its termination.[77] A copy of the plan must be provided to every unit owner at least 14 days before the meeting to approve the plan.[78]

Once the plan has been approved, it must be sent to every unit owner within 30 days of recording the plan with the clerk of court and to the Division within 90 days of recording the plan.[79]

Alternative Dispute Resolution

There is an alternative dispute resolution process under the Act for certain disputes between unit owners and condominium associations. Before initiating court litigation, a party to certain disputes must either petition the Division for nonbinding arbitration or initiate pre-suit mediation.[80] Alternative dispute resolution offers a more efficient, cost-effective option to court litigation, but alternative dispute resolution should not be used as a mechanism to encourage the filing of frivolous or nuisance suits.[81]

Alternative dispute resolution is required for any disagreement between two or more parties that involves:

- The authority of the board of directors to require an owner to take any action, or not to take any action, involving that owner's unit or the appurtenance thereto and the authority of the board of directors to alter or add to common areas or elements;

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[68] S. 718.117(2)(a), F.S.
[69] S. 718.117(2)(a)1., F.S.
[70] S. 718.117(2)(a)2., F.S.
[71] S. 718.117(3), F.S.
[72] *Id.*
[73] S. 718.117(3)(a)2., F.S.
[74] S. 718.117(12)(a), F.S.
[75] *Id.*
[76] The association serves as termination trustee unless another person is appointed in the plan of termination. If the association is unable, unwilling, or fails to act as trustee, any unit owner may petition the court to appoint a trustee. S. 718.117(13), F.S.
[77] S. 718.117(10)(c), F.S.
[78] S. 718.117(9), F.S.
[79] S. 718.117(15), F.S.
[80] S. 718.1255(4)(a), F.S.
[81] S. 718.1255(3)(b), F.S.

- The board of directors' failure to:
    - Properly conduct elections;
    - Give adequate notice of meetings or other actions;
    - Properly conduct meetings;
    - Provide access to association books and records; and
- A plan of termination.[82]

The Division does not have jurisdiction to arbitrate or mediate disputes that primarily involve:

- Title to any unit or common element;
- The interpretation or enforcement of any warranty;
- The levy of a fee or assessment, or the collection of an assessment levied against a party;
- The eviction or other removal of a tenant from a unit;
- Alleged breaches of fiduciary duty by one or more directors; or
- Claims for damages to a unit based upon the alleged failure of the association to maintain the common elements or condominium property.[83]

Recall and election disputes in condominium, cooperative, and homeowners' associations are not eligible for pre-suit mediation and must be arbitrated by the Division or filed directly with a court of competent jurisdiction.[84]

Arbitration is binding on the parties if all parties in arbitration agree to be bound in a writing filed in the arbitration,[85] or if a complaint for a trial de novo is not filed in a court of competent jurisdiction in which the condominium is located within 30 days after the arbitration decision is rendered.[86]

The filing fee for a petition to the Division to initiate nonbinding arbitration or pre-suit mediation is $50.[87] The Division employs full-time arbitrators and may certify private attorneys to conduct mandatory nonbinding arbitration.

The Act also encourages parties to a condominium dispute to participate in voluntary mediation through a Citizen Dispute Settlement Center.[88,89]

Electronic Voting

The Act provides that an association may conduct elections and other unit owner votes through an internet-based online voting system if a unit owner consents, electronically or in writing, to online voting.[90] If the association uses the internet-based voting system, the association must also provide each unit owner with:

- A method to authenticate the unit owner's identity to the online voting system;
- For elections of the board, a method to transmit an electronic ballot to the online voting system that ensures the secrecy and integrity of each ballot; and
- A method to confirm, at least 14 days before the voting deadline, that the unit owner's electronic device can successfully communicate with the online voting system.[91]

Further, the association must use an online voting system that is:

- Able to authenticate the unit owner's identity;

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[82] S. 718.1255(1)(a)–(c), F.S.
[83] S. 718.1255(1), F.S.
[84] S. 718.1255(5), F.S.
[85] S. 718.1255(4)(a), F.S.
[86] S. 718.1255(4)(k), F.S.
[87] S. 718.1255(4)(a), F.S.
[88] Under Florida law, the chief judge of a judicial circuit, after consultation with the board of county commissioners of a county or with two or more boards of county commissioners of counties within the judicial circuit, may establish a Citizen Dispute Settlement Center for such county or counties, with the approval of the Chief Justice. S. 44.201(1), F.S.
[89] S. 718.1255(2), F.S.
[90] S. 718.128, F.S.
[91] S. 718.128(1), F.S.

- Able to authenticate the validity of each electronic vote to ensure that the vote is not altered in transit;
- Able to transmit a receipt from the online voting system to each unit owner who casts an electronic vote;
- For elections of the board of administration, able to permanently separate any authentication or identifying information from the electronic election ballot, rendering it impossible to tie an election ballot to a specific unit owner; and
- Able to store and keep electronic votes accessible to election officials for recount, inspection, and review purposes.[92]

Under the Act, a unit owner that votes electronically pursuant to the provisions above must be counted as being in attendance at the meeting for purposes of determining a quorum.[93] When a quorum is established based on unit owners voting electronically, a substantive vote of the unit owners may not be taken on any issue other than the issues specifically identified in the electronic vote.[94]

Insured Warranty Programs

Currently, the Act allows ***residential*** condominiums to be covered by an insured warranty program that is underwritten by a licensed insurance company registered in Florida, provided that such warranty program meets the minimum requirements of the Act.[95] To the extent that the warranty does not meet the minimum requirements of the Act, the minimum requirements apply.[96]

Transfer of Association Control

Under the Act, if unit owners other than the developer own 15 percent or more of the units in a condominium that will ultimately be operated by an association, the unit owners other than the developer are entitled to elect at least one-third of the members of the association's board of administration.[97]

Additionally, upon the first to occur of the events described in paragraphs (a) through (g) below, unit owners (other than the developer) are entitled to elect at least a majority of the members of the association's board:

(a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
(b) Three months after 90 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
(c) When all the units that will ultimately be operated by the association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the developer in the ordinary course of business;
(d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer in the ordinary course of business;
(e) When the developer files a petition seeking protection in bankruptcy;
(f) When a receiver for the developer is appointed by a circuit court and is not discharged within 30 days after such appointment, unless the court determines within 30 days after appointment of the receiver that transfer of control would be detrimental to the association or its members; or
(g) Seven years after the date of the recording of the certificate of a surveyor and mapper pursuant to s. 718.104(4)(e), F.S., or the recording of an instrument that transfers title to a unit in the condominium which is not accompanied by a recorded assignment of developer rights in favor of the grantee of such unit, whichever occurs first.[98,99]

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[92] S. 718.128(2), F.S.
[93] S. 718.128(3), F.S.
[94] *Id.*
[95] S. 718.203(7), F.S.
[96] *Id.*
[97] S. 718.301(1), F.S.
[98] For cases that involve an association that may ultimately operate more than one condominium, or cases that involve an association operating a phrase condominium created pursuant to s. 718.403, F.S., *see* s. 718.301(1)(g), F.S.
[99] S. 718.301(1)(a)–(g), F.S.

Agreements Entered into By the Association

The Act requires that any grant or reservation made by a declaration, lease, or other document, and any contract made by an association prior to assumption of control of the association by the unit owners (other than the developer), that provides for operation, maintenance, or management of an association or property serving the unit owners, must be fair and reasonable.[100]

Such grant, reservation, or contract may be canceled by unit owners (other than the developer) in the following manner:

- If the association operates only one condominium and the unit owners (other than the developer) ***have assumed control*** of the association, or if unit owners (other than the developer) own not less than 75 percent of the voting interests in the condominium, the cancellation must be by concurrence of the owners of not less than 75 percent of the voting interests other than the voting interests owned by the developer.[101]
- If the association operates more than one condominium and the unit owners (other than the developer) ***have not assumed control*** of the association, and if unit owners other than the developer own at least 75 percent of the voting interests in a condominium operated by the association, any grant, reservation, or contract for maintenance, management, or operation of buildings containing the units in that condominium or of improvements used only by unit owners of that condominium may be canceled by concurrence of the owners of at least 75 percent of the voting interests in the condominium other than the voting interests owned by the developer.[102]

Further, if an association operates more than one condominium and its unit owners (other than the developer) have assumed control of the association, the cancellation must be by concurrence of the owners of not less than 75 percent of the total number of voting interests in all condominiums operated by the association (other than the voting interests owned by the developer).[103]

Condominiums Created Within a Portion of a Building

Under the Act, a condominium may be created within a portion of a building or within a multiple parcel building.[104,105] The common elements of a condominium created as such are only those portions of the building that are submitted to the condominium form of ownership, excluding the units of that condominium.[106]

The declaration that creates a condominium within a portion of a building or within a multiple parcel building, the recorded instrument that creates the multiple parcel building, and any other recorded instrument applicable to s. 718.407, F.S., must specify all of the following:

- The portions of the building which are included in the condominium and the portions that are excluded.
- The party responsible for maintaining and operating those portions of the building which are shared

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[100] S. 718.302(1), F.S.

[101] If a grant, reservation, or contract is so canceled and the unit owners other than the developer have not assumed control of the association, the association shall make a new contract or otherwise provide for maintenance, management, or operation in lieu of the canceled obligation, at the direction of the owners of not less than a majority of the voting interests in the condominium other than the voting interests owned by the developer. S. 718.302(1)(a), F.S.

[102] No grant, reservation, or contract for maintenance, management, or operation of recreational areas or any other property serving more than one condominium, and operated by more than one association, may be canceled. However, if the owners of units in a condominium have the right to use property in common with owners of units in other condominiums and those condominiums are operated by more than one association, no grant, reservation, or contract for maintenance, management, or operation of the property serving more than one condominium may be canceled until unit owners other than the developer have assumed control of all of the associations operating the condominiums that are to be served by the recreational area or other property, after which cancellation may be effected by concurrence of the owners of not less than 75 percent of the total number of voting interests in those condominiums other than voting interests owned by the developer. Ss. 718.302(1)(a), and (d), F.S.

[103] S. 718.302(1)(c), F.S.

[104] A "multiple parcel building" is a building, other than a building consisting entirely of a single condominium, timeshare, or cooperative, which contains separate parcels that are vertically located, in whole or in part, on or over the same land. S. 193.0237(1)(a), F.S.

[105] S. 718.407(1), F.S.

[106] S. 718.407(2), F.S.

facilities, including, but not limited to, the roof, the exterior of the building, the windows, the balconies, the elevators, the building lobby, the corridors, the recreational amenities, and the utilities.
- The party responsible for collecting the shared expenses.
- The rights and remedies that are available to enforce payment of the shared expenses.[107]

Notably, the documents must also specify the manner in which the expenses for the maintenance and operation of the shared facilities will be apportioned.[108] An owner of a portion of a building which is not submitted to the condominium form of ownership or the condominium association, as applicable to the portion of the building submitted to the condominium form of ownership, must approve any increase to the apportionment of expenses to such portion of the building.[109]

The apportionment of the expenses for the maintenance and operation of the shared facilities may be based on any of the following criteria or any combination thereof:[110]
- The area or volume of each portion of the building in relation to the total area or volume of the entire building, exclusive of the shared facilities.
- The initial estimated market value of each portion of the building in comparison to the total initial estimated market value of the entire building.
- The extent to which the unit owners are permitted to use various shared facilities.[111]

Developer and Non-Developer Disclosures

The Act requires that developers[112] and non-developer unit owners make certain disclosures prior to the sale of a residential condominium unit.[113] Among the required disclosures for developers are the milestone inspection report, the turnover inspection report, and the SIRS report.[114] Likewise, if a condominium association is required to have any of the reports but has not completed them, the developer is required to disclose the non-compliance.[115]

A unit owner who is not a developer must also comply with the Act's disclosure requirements before the sale of his or her unit.[116] Each prospective purchaser who has entered into a contract for the purchase of a unit is entitled, at

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[107] Ss. 718.407(3)(a), (b), (d), and (e), F.S.
[108] S. 718.407(3)(c)1., F.S.
[109] *Id.*
[110] An alternative apportionment of expenses is not precluded under the Act as long as such apportionment is stated in the declaration of condominium, the recorded instrument that creates the multiple parcel building, or any other applicable recorded instrument. S. 718.407(3)(c)2., F.S.
[111] S. 718.407(3)(c)1.a.–c., F.S.
[112] "Developer" means a person who creates a condominium or offers condominium parcels for sale or lease in the ordinary course of business, but does not include:
(a) an owner or lessee of a condominium or cooperative unit who has acquired the unit for his or her own occupancy;
(b) a cooperative association that creates a condominium by conversion of an existing residential cooperative after control of the association has been transferred to the unit owners if, following the conversion, the unit owners are the same persons who were unit owners of the cooperative and no units are offered for sale or lease to the public as part of the plan of conversion;
(c) a bulk assignee or bulk buyer as defined in s. 718.703, F.S., or
(d) a state, county, or municipal entity acting as a lessor and not otherwise named as a developer in the declaration of condominium. S. 718.103(17), F.S.
[113] *See* s. 718.503, F.S.
[114] S. 718.503(1)(d), F.S.
[115] *Id.*
[116] S. 718.503(2)(a), F.S.

the seller's expense, to a current copy of all of the following:

- The declaration of condominium;
- The articles of incorporation of the association;
- The bylaws and rules of the association;
- An annual financial statement and annual budget of the association;
- A copy of the inspector-prepared summary of the milestone inspection report, if applicable;
- The association's most recent SIRS or a statement that the association has not completed a SIRS;
- A copy of the inspection report for a turnover inspection performed on or after July 1, 2023; and
- The document entitled "Frequently Asked Questions and Answers" required by s. 718.504, F.S.[117]

Section 31 of Ch. 2024-244, Laws of Fla.

The amendments made to ss. 718.103(14), and 718.202(3), and s. 718.407(1), (2), and (6), F.S., F.S., which were made by s. 31 of ch. 2024-244, Laws of Fla., were intended to clarify existing law and were required to be applied retroactively. Currently, s. 31 of ch. 2024-244, Laws of Fla., provides that such amendments do not revive or reinstate any right or interest that has been fully and finally adjudicated as invalid before October 1, 2024.

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2024	CS/CS/CS/HB 1021	Lopez, V.	Bradley	The 2024 legislation for condominium and cooperative associations.
2023	CS/CS/HB 1395	Lopez, V.	Bradley	The 2023 legislation for condominium and cooperative associations.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Housing, Agriculture & Tourism Subcommittee	18 Y, 0 N, As CS	3/11/2025	Curtin	Fletcher
THE CHANGES ADOPTED BY THE COMMITTEE:	• Required an association to post on its website the adopted minutes of all meetings of the association for the preceding 7 years (This change will not go into effect until January 1, 2026.) • Allowed a board to pause contributions to its reserves, without obtaining the prior approval of a majority of its members, if a local building official determines that a condominium building is uninhabitable. • Clarified that certain amendments that were made to Florida's Condominium Act in 2024 do not retroactively apply to any right or interest in a matter pending adjudication before October 1, 2024.			
Budget Committee				
Commerce Committee				

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[117] S. 718.503(2)(a)1.–8., F.S.

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.
