EISINGER LAW

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RE: 2025 Legislative Update – Condominium Associations

Dear Board of Directors:

The purpose of this letter is to provide your association with important legislative developments that may affect your operations. During the most recent legislative session, the Florida Legislature enacted significant changes to the laws governing condominium and cooperative associations. These changes are set forth in House Bill 913 ("HB 913") and House Bill 393 ("HB 393"), a comprehensive bill that addresses a wide range of legal and operational issues for community associations.

HB 913 and HB 393 were signed into law by the Governor on June 23, 2025. Unless otherwise noted, the new provisions will take effect on July 1, 2025.

HB 913 introduces substantial updates to Florida's statutory framework for condominium and cooperative associations. These reforms are designed to improve transparency, enhance board accountability, and ensure greater access to official records for unit owners. The bill addresses a variety of topics, including—but not limited to—election procedures, financial reporting requirements, access to records, board meeting protocols, and manager responsibilities. HB 393 makes changes to the My Safe Florida Condominium Pilot Program, an initiative that helps condominium associations strengthen their properties against hurricanes.

In the sections that follow, we outline the key changes introduced by HB 913 and HB 393 and how they may impact your association's governance and daily operations.

Virtual Board and Unit Owner Meetings

House Bill 913 brings important updates to how condominium associations may conduct meetings, with a focus on allowing greater flexibility through videoconferencing.

Under amended Florida Statutes §§718.112(2)(b)(5) and 718.112(2)(e)(1), both Board Meetings and Annual Budget Meetings may now be held via video conference. The Division of Florida Condominiums, Timeshares, and Mobile Homes (the "Division") is tasked with developing rules to govern these virtual meetings, including participation and procedural requirements.

Florida Statutes §718.103(33) now defines a "video conference" as a real-time audio and video meeting between two or more people in different locations using video-enabled and audio-enabled devices.

For any meeting conducted by video conference, the notice to unit owners must include the following:

1. A hyperlink to join the meeting and a conference call-in number.
2. A physical location where unit owners can attend the meeting in person.
3. A requirement that the meeting be recorded.
4. That the recording be maintained as part of the Association's official records.

In the case of a Budget Meeting conducted virtually, the Association must use a sound-transmitting device so that all discussions can be heard by board or committee members attending in person, as well as by any unit owners who are physically present.

Annual and Unit Owner Meetings

Newly created Florida Statutes §718.112(2)(d)(2) now permits all Unit Owner Meetings – including the Annual Meeting – to be conducted via video conference.

In addition, §718.112(2)(d)(1) has been amended to require that the Annual Unit Owner Meeting be held within 15 miles of the condominium property (reduced from the previous 45 miles) or within the same county as the condominium. If the Annual Meeting conducted via video conference, a quorum of the board of directors must be physically present at the designated in-person location stated in the meeting notice.

Finally, when a Unit Owner Meeting is conducted via video conference, unit owners may cast their votes electronically, in accordance with the procedures set forth in Florida Statutes §718.128.

Electronic Voting in Condominium Elections

House Bill 913 includes several new provisions to facilitate the use of electronic voting in condominium association elections, providing both flexibility and clearer procedures for associations and unit owners.

Under the newly added Florida Statutes §718.128(6), if at least 25% of the voting interests in a condominium association submit a written petition requesting electronic voting for the next scheduled election, the board is required to act. Specifically, the board must convene a meeting within 21 days of receiving the petition to consider and adopt a resolution authorizing electronic voting. To be valid, the petition must be received within 180 days after the date of the last scheduled annual meeting.

Procedures and Requirements for Electronic Balloting

New subsections §718.128(7)(a) and (b) provide additional guidance when an association has not yet formally adopted an electronic voting system. In such cases:

- The association must designate an e-mail address to receive completed electronic ballots.
- Unit owners may submit their completed ballots electronically to the designated e-mail address without needing to comply with certain procedures, including §718.112(2)(d)(4) or Division-adopted rules requiring ballot secrecy.
- As long as the ballots meet the stated requirements, the association must count them.

According to §718.128(7)(c), any electronically transmitted ballot must include the following elements:

1. A field for the unit owner's unit number.
2. A field for the unit owner's first and last name, which will serve as their electronic signature.
3. A prominently displayed statutory disclaimer, written in capital letters and in a larger font size than the rest of the email, clearly disclosing that submitting the ballot by email waives ballot secrecy.

In addition, under §718.128(7)(d), the completed electronic ballot must be transmitted to the association's designated email address no later than the scheduled date and time of the meeting at which the vote is to occur.

Verification of Ballot Review. Finally, §718.128(7)(e) introduces a safeguard to ensure ballots are properly reviewed. There is now a rebuttable presumption that the association has reviewed all folders associated with the designated email address – including inbox, spam, and junk folders – if a board member, officer, agent of the association, or CAM submits a sworn affidavit affirming that such a review was conducted.

Insurance Coverage Requirements

Florida Statutes §718.111(11) has been amended to clarify how condominium associations must determine adequate insurance coverage. Under the revised law, insurance coverage for the full insurable value – including replacement cost or similar forms of coverage – may now be based on the replacement cost of the insured property as determined by either:

1. A current independent insurance appraisal, or
2. An updated version of a previous appraisal.

To ensure accuracy and compliance, the statute requires that the replacement cost must be reassessed at least once every three years.

Official Records Requirements

House Bill 913 expands and clarifies the list of documents that must be maintained as official records by condominium associations, with an emphasis on transparency and timely digital access.

Under the amended Florida Statutes §718.111(12)(a)(6), associations are now required to treat video recordings of all meetings conducted by video conference as official records. These recordings must be retained for at least one (1) year from the date they are posted, in accordance with the existing requirements under §718.111(12)(g).

In addition to video recordings, the statute now explicitly includes the following as official records:

- Bank statements and ledgers, and
- Copies of all affidavits received or created by the association.

For associations required to maintain a website, any official record must be posted online or made available for download within 30 days of the association either receiving or creating the record.

Changes to Director Accountability. Florida Statutes §718.111(12)(c)(2) has been amended to remove the "repeatedly" requirement. Now, a board director who knowingly or directly denies a

unit owner access to official records may be charged with a second-degree misdemeanor and removed from office, even if the violation is a first-time offense. Fla. Stat. §718.111(12)(g)(1) is amended to provide that Associations that are required to maintain a website must make a document available on the website or make available for download through a mobile app within 30 days after the Association receives or creates the official record.

Website and Mobile Access Requirements. Florida Statutes §718.111(12)(g)(1) further reinforces digital transparency by requiring that associations maintaining a website must make official records available online or through a mobile app within 30 days of receiving or generating them.

Additionally, new subsections §718.111(12)(g)(2)(e) and (f) mandate that associations post the following documents on their websites:

1. The approved minutes of all board meetings held during the preceding 12 months.

2. A video recording or a hyperlink to the video recording of all association meetings, including board meetings, committee meetings, and unit owner meetings, also covering the preceding 12 months.

Financial Reporting and Investment Requirements

House Bill 913 introduces several key amendments to Florida Statutes §718.111(13), impacting how condominium associations prepare, distribute and manage financial reports, as well as how reserve funds may be invested.

Extended Deadline and Notice Requirements. The time period for an association to deliver its annual financial report has been extended to 180 days after the end of the fiscal year. The association is required to deliver a notice to unit owners indicating that a copy of the most recent financial report is available upon written request. Upon receiving such a request, the association must provide the report – by mail, hand delivery, or electronic delivery – within five (5) days, at no charge. To ensure compliance, an officer or director of the association must execute an affidavit confirming that the required notice or report delivery has been completed in accordance with the statute.

Thresholds of Less Formal Reporting. Amendments to §718.111(13)(d) also increases the voting threshold under which an association may prepare a report of cash receipts and expenditures or a compiled financial statement instead of an audited financial statement. This alternative reporting must be approved by a majority vote of all voting interests in the association.

Financial Reporting for Shared Facilities. Florida Statute §718.407(4) has been amended to address financial accountability in buildings with shared facilities not entirely governed under the condominium form of ownership. Under this provision, the association must receive a copy of the annual budget for shared facilities. Additionally, the owner of any portion of such a building must, within 60 days after the end of each fiscal year, provide the condominium association with a complete financial report detailing the costs of maintaining and operating the shared facilities. This report must include copies of all receipts and invoices. If the required documentation is not provided within the 60-day deadline, the Division may impose penalties and take enforcement action to ensure compliance.

In addition, §718.407(4)(c) allows the condominium association to challenge the allocation of shared costs within 60 days of receiving the financial report. Any such challenge must follow the dispute resolution procedures outlined in Florida Statutes §720.311.

Annual Budget, Reserve and Investment of Association Funds

Budget Adoption Requirements and Substitute Budget Procedures. Amendments to Florida Statutes §718.112(2)(e)(2)(a) establish new requirements when a condominium association board proposes a budget that significantly increases unit owner assessments.

Specifically, if the proposed annual budget includes assessments that exceed 115% of the assessments from the previous fiscal year, the board must also propose a substitute budget. This substitute budget must exclude all discretionary expenses that are not legally required to be included.

The substitute budget must be presented at the same meeting where the board proposes to adopt the annual budget. Notice of this meeting must be provided to unit owners at least 14 days in advance, in accordance with statutory notice requirements.

During the budget meeting:

- Unit owners will have the opportunity to consider and vote on the substitute budget.
- The substitute budget is considered adopted if it receives approval from a majority of all voting interests, unless the association's bylaws require a higher voting threshold.
- If the substitute budget is not adopted, then the original proposed budget may be adopted by the board.

When calculating whether the proposed assessments exceed the 115% threshold, the following are excluded from the calculation:

- Reserves required by statute for repair or replacement of components,
- Anticipated non-recurring expenses related to the repair or maintenance of components identified in the Structural Integrity Reserve Study (SIRS), and
- Insurance premiums.

Prudent Investment of Funds. Pursuant to the new §718.111(16), boards of directors now have an explicit duty to use best efforts to make prudent investment decisions when investing association funds, including a responsibility to consider risk and return in an effort to maximize returns on invested funds. Associations are permitted to invest reserve funds—without a vote of the unit owners—in one or any combination of the following:

- Certificates of deposit
- Depository accounts with a community bank, savings bank, commercial bank, savings and loan association, or credit union

This investment provision also applies to cooperative associations pursuant to Florida Statutes §719.104.

Structural Integrity Reserve Study (SIRS): Exemptions, Deadlines, and Compliance

Recent amendments to Florida Statutes §718.112(2)(g) further refine the scope and timing of SIRS requirements for condominium associations, as well as introduce new compliance obligations.

Exemptions from SIRS Requirements. Under the revised §718.112(2)(g)(5), four-family dwellings with three (3) or fewer habitable stories are now exempt from the requirement to obtain a Structural Integrity Reserve Study. This exemption recognizes the reduced structural risk in smaller, low-rise buildings.

Extended Deadline to Complete Initial SIRS. For condominium associations that were in existence on or before July 1, 2022, the deadline to complete their initial SIRS has been extended to December 31, 2025, per §718.112(2)(g)(7). This extension gives associations additional time to prepare for and comply with the statutory requirements.

Temporary Delay Following Milestone Inspection. A new provision, §718.112(2)(g)(9), allows associations that have recently completed a Milestone Inspection to delay performance of a SIRS for up to two consecutive budget years immediately following the inspection. This delay is intended to allow the association to focus its financial resources on completing the recommended structural repairs identified in the Milestone Inspection report.

Affidavit Acknowledging Receipt of SIRS. Amended §718.112(2)(g)(10) requires that an officer or director of the association must sign an affidavit acknowledging receipt of the completed SIRS. This signed acknowledgment helps ensure that the board is formally aware of the reserve requirements and funding recommendations outlined in the study. This requirement also applies to cooperative associations under Florida Statutes §719.106.

Standardized SIRS Form. Finally, a new provision, §718.112(2)(g)(13), requires the Division of Florida Condominiums, Timeshares, and Mobile Homes to adopt a standardized form for the SIRS, developed in coordination with the Florida Building Commission. This form will help ensure uniformity and consistency in the preparation and reporting of reserve studies across the state.

Reserve Funding

House Bill 913 amends and expands the reserve funding requirements for condominium and cooperative associations, with a focus on financial readiness for structural repairs and emergencies.

Threshold for Mandatory Reserve Funding. Under the amended Florida Statutes §718.112(2)(f)(2)(a), associations must now establish reserves for deferred maintenance or replacement costs when the estimated cost of the item exceeds $25,000 or the inflation-adjusted amount determined by the Division, whichever is greater. This raises the minimum threshold for

mandatory reserve funding and helps ensure associations are setting aside funds for significant repairs.

Structural Integrity Reserve Study (SIRS) Requirements and Funding Integration. Amendments to Florida Statutes §718.112(2)(g)(4)(a) clarify the required contents of a Structural Integrity Reserve Study (SIRS). Under the revised law, every SIRS must include, at a minimum, a recommended reserve funding schedule that is based on a baseline funding plan. This plan must establish a reserve funding goal that ensures the reserve cash balance for each budget year remains above zero, thereby preventing reserve account depletion.

Funding Sources for Reserves. Per §718.112(2)(f)(2)(c), SIRS reserves may be funded by regular assessments, special assessments, a line of credit or a loan. However, a special assessment, a line of credit, or a loan required the approval of a majority vote of the total voting interests of the association.

Unit-owner-controlled associations may also use a line of credit or loan to fund capital expenses required by a Milestone Inspection or SIRS. The amount must be sufficient to cover both the most recent SIRS and any previously waived or unfunded reserve components. The funding must be immediately accessible to the board to cover repair, maintenance, or replacement costs without requiring additional member approval.

However, the ability to secure a line of credit or loan for this purpose does not apply to:

- Developer-controlled associations
- Associations under unit owner control for less than one year
- Associations controlled by bulk assignees or bulk buyers, as defined in the statute

Any special assessment, line of credit, or loan secured for reserve funding purposes must also be disclosed in the association's annual financial statement.

These provisions apply equally to cooperatives under Florida Statutes §719.104.

Incorporation of Funding Methods into SIRS. A newly created provision, §718.112(2)(g)(4)(c), expands the scope of the SIRS by requiring that it also consider the funding methods used by the association to meet its reserve obligations. These may include regular assessments, special assessments, lines of credit or loans. If the SIRS is conducted before the association has approved a special assessment or obtained a line of credit or loan, the study must be updated to reflect the actual funding method selected. This update must address the impact on the reserve funding schedule, including any expected changes to regular assessments.

In addition, the SIRS may be updated to reflect changes to the useful life of reserve components after they have been repaired or replaced, along with the resulting effect on the reserve funding plan.

Finally, an association must obtain an updated SIRS before adopting any budget in which the reserve funding—whether sourced through assessments, loans, or other mechanisms —does not align with the reserve funding schedule recommended in the most recent version of the SIRS. This

requirement ensures that budgeted funding levels remain consistent with association's actual structural needs and funding strategy.

Temporary Suspension or Reduction of Reserve Contributions for Milestone Repairs. A new provision, Florida Statutes §718.112(2)(f)(2)(e), allows condominium association boards to temporarily pause or reduce reserve contributions under specific conditions to prioritize urgent structural repairs.

With the approval of a majority of all voting interests, a board may suspend or reduce reserve funding for up to two consecutive annual budgets, but only for the purpose of funding repairs recommended by a Milestone Inspection. This option is available only for budget years adopted on or before December 31, 2028, and only if the association completed a Milestone Inspection within the prior two calendar years.

This flexibility is limited to unit-owner-controlled associations. It does not apply to developer-controlled associations or associations controlled by one or more bulk assignees or bulk buyers, as defined in the Florida Condominium Act.

Before the association may resume regular reserve contributions, it must complete a Structural Integrity Reserve Study (SIRS) to assess current funding needs and establish a new reserve funding plan.

Applicability to Cooperatives. For cooperative associations governed under Florida Statutes §719.104, a similar provision applies. If the cooperative has completed a Milestone Inspection as required by §553.899, or an equivalent inspection required by a local ordinance, the association may delay performance of a SIRS for up to two consecutive budget years immediately following the inspection. This delay allows the association to focus its financial resources on implementing the repair and maintenance recommendations outlined in the Milestone Inspection report.

Suspension of Reserve Contributions During a Natural Emergency. Amended §718.112(2)(f)(2)(d) allows the board of a condominium association to pause or reduce contributions to reserves if a local building official determines that the entire building is uninhabitable due to a natural emergency. In such cases, board approval is sufficient—member approval is not required. Contributions must resume once the building is deemed habitable.

A similar provision applies to cooperatives. Under §719.104, if a local building official, as defined in §468.603, finds that the cooperative building is uninhabitable due to a natural emergency (as defined in §252.34), the board may also pause or reduce reserve contributions. During this time, the association may use existing reserve funds to make the building and its structures habitable. Once the building is declared habitable, the association is required to immediately resume reserve contributions.

Waiver of Reserves Upon Condominium Termination. In situations where the association has voted to terminate the condominium in accordance with Florida Statutes §718.117, the unit owners may also vote to waive the requirement to maintain reserves as recommended in the association's most recent Structural Integrity Reserve Study (SIRS). This provision allows associations undergoing dissolution to reduce or eliminate reserve contributions during the termination process.

Reserves – Pooling of Funds. Amendments to Florida Statutes §718.112(2)(f)(4) clarify how condominium associations may manage reserve funds through pooling. Associations are now

permitted to pool reserve accounts for two or more required components, allowing greater flexibility in how reserve funds are allocated and used.

However, the statute places limits on this flexibility: reserve funds for components listed under paragraph (g)—such as those identified in a Structural Integrity Reserve Study (SIRS)—may only be pooled with other components also listed under paragraph (g). This ensures that critical structural and safety-related items remain properly funded.

To be compliant, the reserve funding included in the proposed annual budget must be sufficient to ensure that the available pooled funds meet or exceed the projected expenses for all pooled components. These projections must align with the funding plan or schedule provided in the association's most recent SIRS.

Importantly, the board of directors may switch between the pooled accounting method and the straight-line accounting method without requiring a vote of the membership. This flexibility is intended to streamline reserve planning and allow boards to adapt their funding approach as needed.

These provisions also apply to cooperatives under Florida Statutes §719.106.

Inflation Adjustment for Reserve Threshold. A new subsection, §718.112(2)(f)(6), requires the Division of Florida Condominiums, Timeshares, and Mobile Homes to annually adjust the $25,000 reserve threshold to account for inflation. The adjustment will be based on the Consumer Price Index for All Urban Consumers, released in January of each year.

By February 1, 2026, and each year thereafter, the Division must conspicuously post the updated, inflation-adjusted threshold on its official website. This ensures that the minimum amount triggering mandatory reserve funding remains aligned with economic conditions.

This requirement also applies to cooperative associations under §719.106.

Milestone Inspections

"Habitable Stories". Fla. Stat. §553.899(3)(a) has been amended to clarify that the milestone inspection requirements apply to building that are three "habitable" stories or more in height as determined by the Florida Building Code and that are subject, in whole or in part, to the condominium or cooperative form of ownership as a residential condominium under Chapter 718 or a residential cooperative under Chapter 719.

Reporting Requirements for Local Enforcement Agencies. Florida Statutes §553.889(13) – requires local enforcement agencies responsible for overseeing milestone inspections to submit an annual electronic report. Beginning December 31, 2025, and each year thereafter, these agencies must report the following information for all buildings under their jurisdiction:

1. The number of buildings required to undergo a milestone inspection.
2. The number of buildings that have completed a Phase One milestone inspection.
3. The number of buildings granted an extension.
4. The number of buildings required to undergo a Phase Two milestone inspection.
5. The number of buildings that have completed a Phase Two inspection.

6. The number, type, and value of permits applied for to complete repairs required by Phase Two inspection.
7. A list of buildings deemed unsafe or uninhabitable.
8. The license number of the building code administrator responsible for milestone inspection oversight.

This report must be submitted to the Office of Program Policy Analysis and Government Accountability (OPPAGA), which is authorized to request additional information as needed to prepare a comprehensive report for the Florida Legislature.

Conflict of Interest Disclosures – Milestone Inspections. House Bill 913 introduces new conflict of interest requirements related to milestone inspections. Florida Statutes §553.889(12) now requires that any licensed architect or engineer who intends to bid on a milestone inspection must disclose, in writing, whether they also intend to bid on any services that may be recommended in the resulting milestone inspection report.

Furthermore, if a contractor or design professional submits a bid and has any ownership or financial interest in the firm conducting the milestone inspection, they must also disclose that relationship in writing to the association. Failure to make these disclosures may result in disciplinary action by the appropriate licensing authority.

These disclosure requirements also apply to cooperative associations under Florida Statutes §719.104.

Hurricane Protection – Responsibility for Removal and Reinstallation

Amendments to Florida Statutes §718.113(5)(d) clarify that the condominium association—not the individual unit owner—is responsible for covering the cost of removing or reinstalling hurricane protection features, such as exterior windows, doors, or other openings, when such removal is required in order to maintain, repair, or replace other portions of the condominium or association property for which the association is responsible.

However, this allocation of responsibility may be modified if otherwise stated in the original Declaration of Condominium or by a duly adopted amendment to the declaration.

In addition, §718.113(5)(e) has been deleted. This provision had previously allowed an association to charge the unit owner for the removal or reinstallation of hurricane protection—even when performed by the association—if the maintenance of the hurricane protection was the unit owner's responsibility. With this repeal, such cost-shifting is no longer permitted unless expressly authorized by the governing documents.

Community Association Manager and Community Association Management Firm Requirements

HB 913 includes new provisions aimed at strengthening ethical standards within community association management. Specifically, Florida Statutes §468.432(2)(h) now prohibits any individual whose Community Association Manager ("CAM") licenses has been revoked from

holding either a direct or indirect ownership interest in a Community Association Management Firm ("CAM Firm") for a period of ten (10) years following the revocation.

In addition, such individuals are barred from serving as an employee, partner, officer, director, or trustee of a CAM Firm during that same ten-year period. They are also ineligible to reapply for CAM certification or registration until ten years have passed from the date their license was revoked.

Online Licensure Account and Notification Requirements. Under the new provisions of Florida Statutes §468.432(3), all licensed Community Association Managers ("CAMs") are now required to create and maintain an online licensure account with the Department of Business and Professional Regulation (the "DBPR"). Through this account, each CAM must clearly identify two key pieces of information:

1. The Community Association Management Firm ("CAM Firm") with which they are affiliated; and
2. Each association for which they serve as the designated onsite CAM.

It is the licensee's responsibility to ensure that this information remains current. Any changes must be reported to the DBPR by updating the account within 30 days. Additionally, if a CAM's license is suspended or revoked, the DBPR is required to provide written notice of the disciplinary action to both the CAM Firm and the affected association(s) where the CAM provides services.

Expanded Responsibilities and Contract Requirements for CAMs and CAM Firms. House Bill 913 includes several key amendments to Florida Statutes §468.4334 that clarify and expand the responsibilities of CAMs and CAM Firms when working with associations. Under the revised statute, a CAM or CAM Firm is expressly prohibited from knowingly carrying out any directive from an association if doing so would result in a violation of state or federal law (§468.4334(1)(a)).

Additionally, if a CAM or CAM firm has a contract with an association that is required to undergo a Milestone Inspection or conduct a Structural Integrity Reserve Study ("SIRS"), the CAM or CAM Firm must comply with all applicable statutory obligations related to those requirements, as directed by the association's board.

A new provision, §468.4334(1)(c), also mandates that every contract between an association and a CAM or CAM Firm include the following statement, printed in at least twelve (12) point font:

"The Community Association Manager shall abide by all professional standards and record keeping requirements imposed pursuant to part VIII of Chapter 468, Florida Statutes."

Additionally, §468.4334(1)(d) prohibits any contract between a CAM or CAM Firm and an association from waiving or limiting the professional practice standards established by law. These provisions are intended to promote accountability and ensure that professional standards are upheld in all management agreements.

Expanded CAM Obligations for Condominium Associations and Conflict of Interest Regulations. Recent amendments to Florida law now extend several CAM requirements – previously applicable only to homeowners associations – to condominium associations as well. These updates are intended to enhance transparency, accountability, and communication between managers and the communities they serve. Under the revised statute, CAMs serving condominium association must now meet the following obligations:

1. Attend at least one member or board meeting annually.
2. Provide association members with the name, contact information, work hours, and a summary of duties for each CAM or management representative assigned to the association.
3. Provide a copy of the management contract to any association member upon request.

Additionally, §468.4335(a) has been amended to address conflict of interest disclosures. If a CAM intends to engage in an activity that presents a potential conflict of interest, the proposed activity must be listed on the agenda for the next board meeting. The meeting notice must include:

- A clear description of the proposed activity;
- A disclosure of the potential conflict; and
- Copies of all related contracts and transactional documents.

The statue also redefines what constitutes prohibited "compensation" under §468.4335(1)(b). This includes any referral fee or other monetary benefit derived from a vendor that provides products or services to the Association, as well as any ownership interests or profit-sharing arrangements with vendors recommended to or used by the Association. A violation of this provision gives the association the right to terminate its contract with the CAM.

Verification of Licensure and Termination of Rights. A new section, §718.113(3)(g), requires condominium associations to verify the licensure of any CAM or CAM Firm prior to entering into a contract for management services. Furthermore, under §§718.111(3)(h) and (i), if a CAM or CAM Firm's license is suspended or revoked while under contract, the association has the right to terminate the agreement. Termination becomes effective as of the date the CAM or CAM Firm became unlicensed, provided the association delivers written notice of termination.

Division of Florida Condominiums, Timeshares, and Mobile Homes – Expanded Oversight and Reporting Requirements

Recent amendments expand the authority and responsibilities of the Division of Florida Condominiums, Timeshares, and Mobile Homes (the "Division") to strengthen oversight and improve transparency across condominium and cooperative associations.

Expanded Jurisdiction for Investigations. Under the amended Florida Statutes §718.501(1)(a), the Division now has explicit authority to investigate complaints related to the following areas:

- Completion of repairs required by a Milestone Inspection, pursuant to §553.899.
- The association's obligation to maintain adequate insurance or fidelity bonding for all individuals who control or disburse association funds, as required under §718.111(11)(h).
- Board member education requirements, in accordance with §718.112(2)(d)5.b.
- Reporting obligations related to the Structural Integrity Reserve Study (SIRS) under both §718.112(3) and §718.112(2)(g)(12).

Online Account and Annual Reporting Requirements. New sections §718.501(2)(d) and §718.501(3)(a) require all condominium associations to create and maintain an online account with the Division no later than October 1, 2025. Once established, the association must provide specific information to the Division in an electronic format prescribed by rule.

Reporting Frequency and Notice Requirements. The Division may request information no more than once per year, except for contact information updates, which must be submitted within 30 days of any change. The Division must provide the association with at least 45 days' notice before requiring submission of any new information following initial account setup.

Required Information Includes:

- Association contact information, including:
  - Association name and physical address of the condominium property
  - Mailing address, county, email, and telephone number
  - Names and board titles for all board members
  - Name and contact information for the community association manager or management firm, if applicable
  - The hyperlink or web address of the association's website, if one exists
- Building and structural data:
  - Total number of buildings and units
  - For each building: number of stories (habitable and uninhabitable), building age based on certificate of occupancy, and any construction activity commenced within the common elements during the calendar year
- Assessment details:
  - Amount of regular and special assessments by unit type, including reserves
  - Purpose of each assessment or special assessment
  - Name of the financial institution(s) where association funds are held
- SIRS documentation:
  - A copy of the most recent Structural Integrity Reserve Study and any related materials must be provided to the Division within five (5) business days of any request, in the format specified by the Division.

These same requirements also apply to cooperative associations under Florida Statutes §719.501.

<u>Nonresidential Condominiums – Amendments, Turnover, and Contract Termination</u>

Recent legislative changes introduce new flexibility and exemptions for nonresidential condominiums, particularly those formed on or after July 1, 2025, and those consisting of 10 or fewer units.

Amendments to Declarations for New Nonresidential Condominiums. A newly added provision, Florida Statutes §718.110(4)(b), allows greater flexibility for nonresidential condominiums formed on or after July 1, 2025. Under this section, the declaration of such a condominium may be amended to do the following:

- Change the configuration or size of a unit in a material way;
- Materially alter or modify the appurtenances to the unit; or
- Change the percentage of common expenses or common surplus ownership allocated to a unit.

These changes may be made without requiring the consent of all unit owners, provided that the record owners of all "affected" units (i.e., those impacted by the proposed amendment), and all record owners of liens on those affected units join in the execution of the amendment. Approval from unit owners of unaffected units is not required under this provision.

Turnover Exemptions for Small Nonresidential Condominiums. Amended §718.301(1)(g) provides that, beginning July 1, 2025, the turnover provisions of §718.301(1)(a), (c), (d), and (g) do not apply to nonresidential condominiums with 10 or fewer units. This exemption eases administrative burdens for small commercial associations by eliminating statutory turnover procedures in limited contexts.

Contract Cancellation by Unit Owners in Nonresidential Condominiums. §718.302(1)(a) has been amended to provide that, in a nonresidential condominium consisting of 10 or fewer units, any grant or reservation made in a declaration, lease, or other document—and any contract entered into by the association prior to turnover—may be cancelled by unit owners other than the developer if they collectively own at least 90% of the voting interests.

Similarly, new language under §718.302(1)(b) confirms that, beginning July 1, 2025, if a developer still controls a nonresidential condominium with 10 or fewer units, unit owners other than the developer who hold 90% or more of the voting interests may likewise cancel such grants, reservations, or contracts entered into before turnover.

House Bill 393 – My Safe Florida Condominium Pilot Program

House Bill 393 ("HB 393") was unanimously approved by the Florida House and Senate on May 1, 2025, and signed into law by the Governor on June 23, 2025. The bill became effective immediately upon becoming law.

The My Safe Florida Condominium Pilot Program has been amended to limit participation to buildings or structures on condominium property that are three or more stories in height, provided that each building or structure subject to a mitigation grant contains at least two single-family dwelling units.

Associations must now meet additional criteria before applying for a mitigation inspection or grant:

- Inspections and SIRS Compliance: An association may not apply for an inspection under §553.899(4) or a grant under §553.899(5) unless it has complied with the structural inspection requirements of Fla. Stat. §553.899 (Milestone Inspections) and Fla. Stat. §718.112(2)(g) and (h) (Structural Integrity Reserve Studies and reserve funding).

- Common Element Requirement: For a grant sought under §553.899(5)(e)1., the windows must be classified as common elements under the condominium's declaration.

A 75% approval of the total voting interests is now required to apply for a grant—unanimous consent is no longer required, reducing administrative barriers and improving access to grant opportunities.

Grant funding requirements have been amended significantly:

- The state will now match $2 for every $1 provided by the association, toward the actual cost of the project.

- Prior formulas based on square footage or per-window/door caps have been eliminated.

- Grant funds may only be used for mitigation improvements or devices that qualify the building for a mitigation credit, discount, or other insurance rate differential.

Eligible improvements now explicitly include:

- Roof improvements, including the replacement of roof coverings;

- Other water intrusion mitigation measures;

- Devices or improvements that must be identified in the final hurricane mitigation inspection.

Grants cannot be awarded for improvements to previously inspected existing structures on the property, nor for projects that fail to yield insurance-related mitigation benefits.

To receive grant funding, improvements must be made to all relevant openings on the building, including but not limited to exterior doors, garage doors, windows, and skylights.

The foregoing statutory changes will have a impact on association operations. It is critical that your association review the foregoing statutory changes and take the necessary steps to achieve compliance. Should you have any questions or concerns with respect to any of the statutory changes discussed above, please do not hesitate to reach out to one of our attorneys and we will be happy to assist you.

Sincerely,

~The Eisinger Law Team