



FOCUS

QUARTERLY NEWSLETTER / SUMMER 2025

A CLEAR PATH FORWARD



Community Association Managers & Management Companies

Florida Statutes 468.432, 468.4334 and 718.111

- A Community Association Manager (CAM) must comply with all SIRS requirements applicable to the CAM's condominium and may not waive or limit professional practice standards.
- A CAM whose license has been revoked may not have any interest in a community management firm for the 10-year period following the revocation.
- All CAMS must create and maintain an online account with the DBPR and provide specific information thereon.
- Each contract between a CAM and community association must include a 12-point font statement acknowledging the CAM's obligation to abide by professional standards and record keeping requirements.
- A condominium association must contract only with licensed CAMs or community management firms; each board member has a duty to ensure proper licensing requirements are met before entering into a contract.
- A management contract may be terminated if the CAM's license has been revoked or suspended.

Conflicts of Interest for CAMs

Florida Statutes 468.4335 and Florida Statutes 553.899

- "Compensation" definition includes referral fees, ownership interests and profit-sharing arrangements.
- CAMs bidding for goods or services outside of CAM services are presumed to have a conflict.

- Conflicts must be disclosed on board meeting agendas and include a copy of all contracts and documents related to the proposed activity.
- A contract that fails to comply with conflict disclosure requirements are voidable by the Board without Owner approval.

Video Conference Options for Condominium Meetings

Florida Statutes 718.103, 718.111 and 718.112



- Video Conference defined in F.S. 718.103(33) as any real-time audio and video-based meeting, which would include platforms such as Google Meet, Teams or Zoom.
- Video conferencing can be used for any Board meeting and any Owner meeting.
- ALL meetings must have a physical location where owners may also attend the meeting in person.
- All meetings using video conferencing must be recorded, and the recording becomes an Official Record for one (1) year.
- Notice of all meetings offering a video conferencing option MUST have a hyperlink and a call-in conference telephone number, as well as the address of the physical location for the meeting.
- If the annual meeting is conducted by video conferencing, a quorum of the board members must be physically present at the physical location where the owners can attend the meeting.

Adequate Insurance Coverage Defined for Residential Condominiums

Florida Statutes 718.111(11)

- Every residential condominium is required to obtain adequate property insurance, regardless of any requirement in the declaration for certain coverage by the association.
- The amount of adequate insurance is based on replacement cost of the property to be insured as determined by an insurance appraisal/updated appraisal.
- Associations must obtain an insurance appraisal for replacement costs every three (3) years.

Official Records & Website Posting Requirements

Florida Statutes 718.111(12)

- Official records requirements expanded to include electronic records that contain minutes of meetings, including committee meetings.
- Approved minutes for a meeting held by video conference, including recordings of videos, must be maintained for at least one (1) year after the date the video recording is posted on the association website.
- Official Record list expanded to include bank statements and ledgers, as well as affidavits.
- Documents required to be available on an association website must be posted within thirty (30) days of receipt or creation.
- Reminder that effective January 1, 2026, an association managing a condominium with 25+ units must use a website or make documents available through an application that may be downloaded on a mobile device.
- Website posting required for all approved board minutes from the preceding 12 months.
- Website posting required for all video recording or hyperlink of recording for all meetings of the association, including board, member and committee meetings from the preceding 12 months.

Financial Reporting & Investment of Funds

Florida Statutes 718.111(13)

- Time frame for financial reporting completion is extended from 120 days to 180 days from the end of the fiscal year or other date in the bylaws.

- Issuance of the financial report or notice of availability of the financial report may be provided by electronic delivery via Internet.
- Approval requirement to reduce the financial reporting type now requires a majority vote of all voting interests, as opposed to a majority of the voting interests present in person or by proxy.
- Board may invest reserve funds in one or more CDs or depository accounts without Owner approval.



Hurricane Shutters

Florida Statutes 718.113

- Unless the declaration provides otherwise, a unit owner is not responsible for the cost of any removal of reinstallation of hurricane protection, including exterior windows and doors, if removal is necessary for association maintenance of condominium or association property.
- If the declaration does not specify who is responsible for such costs (i.e. does not address the issue), then the board shall determine if the removal and reinstallation must be completed by the owner or the association.

Association Emergency Powers

Florida Statutes Section 718.1265 and Florida Statutes 719.128

- An association is immune from liability or injury to persons and property if an owner fails to adhere to a board's issuance of an evacuation order.

Electronic Voting

Florida Statutes 718.128

- 25% of the owners may petition for the board of directors to adopt a resolution for use of electronic voting at the next scheduled election.
- Upon receipt, the board must hold a meeting within 21 days to adopt a resolution.
- The board must receive the petition within 180 days after the date of the last scheduled meeting annual meeting.
- Unless the association has adopted electronic voting procedures, the association must designate an email address for receipt of electronically transmitted ballots, which ballots must meet all the requirements of 718.128.
- Owners may transmit a ballot to the email address without having to comply with the secret ballot dual envelope system, and the association must accept and count such ballots.
- A ballot submitted by email must include certain information, including a disclaimer in a larger font than any other used in the email advising that the owner is waiving the right to secrecy.
- An owner using the balloting email address must submit the ballot no later than the scheduled date and time of the meeting.
- Association affidavit that association reviewed all folders associated with the balloting email address provides rebuttable presumption of compliance.
- 4918-2662-3059, v. 1

SIRS, MILESTONE INSPECTIONS, RESERVES & FUNDING ALTERNATIVES

Mandatory Structural Inspections

Florida Statutes 553.899

- A licensed architect or engineer who performs a milestone inspection must disclose in writing the intent to bid on any service related to the maintenance, repair and replacement recommended in the inspection.
- A contract for services entered into without such prior disclosure is voidable.
- By December 31, 2025, local agencies responsible for milestone inspection must provide to the department information related to milestone inspections identifying buildings subject to such inspections, and status of same.

Alternative Budget Requirements

Florida Statutes 718.112(2)(e)

- If a board proposes a budget which requires assessments which exceed 115% over the preceding year, excluding required reserves, anticipated expenses not expected to be incurred on a regular or annual basis for SIRS items and insurance premiums, the board must simultaneously provide a substitute budget which does not include any discretionary expenditures not required to be in the budget.
- Such substitute budget must be provided to owners at least 14 days' prior to the budget meeting.
- Consideration of the substitute budget must BE provided first at an owner's meeting before the board's budget meeting.
- A substitute budget is adopted if approved by a majority of all voting interest, unless the bylaws require greater approval percentages.
- If the substitute budget is not adopted by the owners, the annual budget initially proposed by the board may be adopted by the board at the budget meeting.

Minimum Reserve Threshold & Reserve Accounting and Waiver Opportunities

Florida Statutes 718.112(2)(f)

- An association must adopt reserves for any deferred maintenance expense or replacement cost that exceeds \$25,000 or the inflation-adjusted amount determined by the Division, as opposed to the previous \$10,000 threshold.
- If an association votes to terminate a condominium, the owners may vote to waive the maintenance of reserves recommended by the structural integrity reserve study (SIRS).
- If a local building official determines that an entire building is uninhabitable due to natural emergency, the board, without a vote of the owners, may pause contribution to reserves or reduce funding until the building is habitable.
- Structural integrity reserves may be pooled with other structural integrity reserves.
- Pooled structural integrity reserves must be sufficient to ensure available funding meets or exceeds projected expenses for all components in the account.
- A vote of the members is not required for the board to change the accounting method for structural integrity reserves.

Funding Options for Structural Integrity

Reserves *Florida Statutes Section 718.112(2)(f)*

- For a budget adopted on or before December 31, 2028, if an association has completed a milestone inspection within the previous two (2) calendar years, the board may temporarily pause funding of SIRS for up to two (2) consecutive annual budgets to fund repairs recommended by the milestone inspection upon approval of a majority of the total voting interests of the association.
- If reserve contributions are paused, the association must have a SIRS performed before continuation of reserve contributions to determine funding needs and recommend a reserve funding plan.
- Structural integrity reserves may be funded by:
 - o Regular assessments;
 - o Special assessments;
 - o Lines of credit; or,
 - o Loans.
- Funding by option 2-4 above requires approval of a majority of the total Association voting interests.
- A line of credit or loan must be sufficient to fund the cumulative amount of any previously waived or unfunded portions of any previously waived or unfunded reserve funding based on the most recent SIRS.
- Funding from a line of credit or loan must be immediately available for access by the board without further owner approval.
- The details of the special assessment, line of credit or loan for structural integrity reserves must be included in the annual financial statement and delivered to the owners and proposed purchasers as part of the seller disclosure process.
- SIRS can only be performed by a licensed engineer, licensed architect, or certified reserve specialist by CAI or by the Association of Professional Reserve Analysts.
- Any design professional or contractor who bids to perform a SIRS must disclose intent to bid on any service related to items recommended in the SIRS, or risk deeming the contract voidable.
- A SIRS must include a recommendation for a reserve funding schedule based on a baseline funding plan with a funding goal in which funding each budget year is sufficient to maintain a balance above zero.
- SIRS must consider funding option of association for SIRS maintenance and reserve funding, i.e. special assessment, line of credit or loan, and must be updated if funding option was not previously approved by the association.
- Association must obtain updated SIRS before adopting budget in which reserve funding to not aligned with funding identified in most recent version of SIRS.
- SIRS may be updated to reflect changes in useful life after repairs and replacements.
- Any non-statutory item recommended in a SIRS must be separately identified.
- SIRS not required for buildings less than three habitable stories which contain up to and including four-family dwellings.
- SIRS deadline extended to December 31, 2025 for associations existing on/before July 1, 2022.
- Association with a completed required milestone inspection may delay performance of structural integrity reserve study for no more than two (2) consecutive budget years immediately after milestone inspection to focus financial resources on completing repairs/maintenance recommended in milestone inspection.

Structural Integrity Reserve Study

Florida Statutes Section 718.112(2)(g)

- SIRS list now includes any item that has a deferred maintenance expense or replacement cost exceeding \$25,000, or the inflation adjusted amount determined by the Division, as opposed to the prior \$10,000 threshold.

**FOR MORE INFORMATION,
Visit icardmerrill.com or call 941.366.8100.**

Telese Zuberer, Esq., President

Nicole Price, Esq.

Curtis Hamlin, Esq.

Tyson Pulsifer, Esq.



ICARD MERRILL
ATTORNEYS & COUNSELORS

