



2025 Legislative Update

Condominium, Cooperative and Homeowner Associations

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2025 LEGISLATIVE UPDATE

Introduction

This year's session of the Florida Legislature ended with passage of a number of new laws affecting condominiums, cooperatives and community association managers. There was little change to the laws impacting homeowner associations governed by Chapter 720, Florida Statutes, except as to the relationship with managers and conflicts of interest which apply to all associations.

Some of the changes are shared with you for your education and interest but others require action by the Board of Directors. Throughout the Update, we have provided a recommendation for amendments to the governing documents for your community in order to keep current with the changing laws.

➤ Condominiums

1. Annual Reporting Requirements for Milestone Inspections

By December 31, 2025, and every year thereafter, local agencies must electronically report key milestone inspection data to the State of Florida. This includes:

- a. Number of buildings that require milestone inspections;
- b. Number of buildings that completed phase one inspections;
- c. Number of buildings granted an extension;
- d. Number of buildings requiring phase two inspections;
- e. Number of buildings that completed phase two inspections;
- f. Permits issued for repairs from phase two inspections (including type and value);
- g. List of buildings found unsafe or uninhabitable;
- h. License number of the responsible building code administrator.

The Department of Business and Professional Regulation (DBPR) must then send this data to the Office of Program Policy Analysis and Government Accountability (OPPAGA). OPPAGA may also request further information from local agencies to create a report for the Florida Senate President and House Speaker.

Takeaway: *Local agencies must report milestone inspection data annually and your association should be aware of how it is being tracked for compliance.*

2. Mandatory Milestone Inspections for Condominium Buildings

The requirement for milestone inspections are limited to condominiums that are three or more “habitable” stories in height as determined by the Florida Building Code.

Takeaway: *Associations must ensure milestone inspections are completed for buildings with three (3) or more habitable stories as soon as possible, if not already completed.*

3. Bid on Services Related to the Milestone Inspection Report

Architects or engineers who bid to perform a milestone inspection must inform the association in writing if they plan to also bid on any repair or maintenance work based on that inspection.

Anyone bidding on follow-up work (such as repairs) cannot have a financial or personal connection to the firm doing the inspection, unless that relationship is clearly disclosed in writing. This includes relatives up to the third degree by blood or marriage.

If this disclosure is not made the contract is voidable, and the association can cancel it. Professionals who fail to disclose may also face disciplinary action under licensing laws.

Takeaway: *Inspectors must disclose any intent to bid on related work and cannot have hidden ties to the inspection firm without written disclosure.*

4. Alternative Funding Methods

Alternative funding methods are approved methods for funding capital expenditures and deferred maintenance obligations for multicondominium associations.

Multicondominium associations are no longer required to manage a minimum of 25 condominium units to meet the definition necessary for using alternative funding methods.

Takeaway: *The requirement that an association operate at least 25 condominiums to qualify for alternative funding methods has been eliminated.*

5. Definition and Rules for Video Conference Meetings

A video conference is newly defined as a live audio and video meeting between people in different places using enabled devices (i.e. Zoom).

If a meeting is held by video conference:

- a. The meeting notice must include a link and a call-in number
- b. A physical location must be available for in-person attendance
- c. The meeting must be recorded, and the recording kept as an official record of the association

Takeaway: *All video conference meetings must allow both virtual and physical attendance and be recorded as official records. The Bylaws should be amended to recognize video conference meetings if not already included.*

6. Amendments Affecting Unit Size, Configuration, or Ownership Share

Boards from time to time ask if the percentage share of ownership and the sharing expenses may be changed. The answer is generally no because approval is required from:

- All unit owners; and
- All lienholders of the affected unit.

As further clarification, note the following:

- Purchases or changes to common property and use rights to limited common elements are *not* considered material alterations to unit appurtenances.
- For nonresidential condominiums formed after July 1, 2025, only the approval and signatures of the affected unit owners and lienholders are required—other unit owners do not need to approve.
- A declaration recorded after April 1, 1992, cannot require less than a majority vote for such amendments unless required by law.

Takeaway: *Major changes to unit configuration or ownership shares typically require unanimous approval.*

7. Condominium Insurance Coverage

Every association must have adequate property insurance without regard to the declaration of condominium's language on certain association coverage.

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 prior appraisal. The replacement cost must be determined at least once every three (3) years at a minimum.

Takeaway: *Associations must carry sufficient property insurance, updated at least every three (3) years, regardless of language in the declaration says. There have been many lessons learned from hurricanes and flood losses over the past few years. We recommend an amendment to the declaration to include a recognition of better and updated practices stemming from casualty losses.*

8. Additions to Official Records

Electronic records containing meeting minutes of the association are now permissible. Meetings conducted by video conference must be recorded and their recording must be kept as an electronic record. Approved minutes for video-recorded meetings are required to be held as an official record for at least 1 year after the date of its recording.

Among the several accounting records required to be held as an official record, bank statements and ledgers have now been included.

Affidavits are now an official record.

The most recent annual financial statement and annual budget must be available to unit owners and prospective purchasers. Year-end financial information is no longer required.

Takeaway: *Meeting recordings, electronic records, and bank documents are now official records—ensure proper retention and access. See our comments below on adoption of a policy regarding official records.*

9. Official Records

Association members and their authorized agents still have a right to inspect official records. The rules regarding inspection of official records remain unchanged, including association adoption of reasonable rules regarding time, location, notice, manner, and frequency of record inspection. However, directors or managers will have committed a second-degree misdemeanor and will be removed from office if they willfully and knowingly or intentionally violate a members right to inspect official records. Defacing or destroying accounting records required under the official records rule will result in a first-degree misdemeanor and subject to civil penalty if it was done willfully and knowingly or intentionally.

In a recent court decision, limitations on official record requests to once a month were considered unreasonable and likely impermissible restrictions on a unit owner/authorized agents access to official records. *Ruiz de Gambia v. Newth Gardens Condominium Association, Inc.* (Fla. 4th DCA June 4, 2025).

Takeaway: *Violating members' right to access records is now a misdemeanor. Associations must prioritize organization of official records for compliance and transparency. If your association has not adopted a policy regarding members accessing official records, we recommend it do so by contacting our office to draft such a policy.*

10. Timeline Update for Financial Reporting

Within 21 days after the final financial report is completed by the association or received from a third party but no later than 180 days (formerly 120 days) after the end of the fiscal year (or other date as provided by the bylaws) the association must deliver a copy of the most recent financial report via mail or email or, at the request of the owner, the association may electronically deliver the documents via the internet.

An affidavit is required to be executed by an officer or director of the association as evidence of delivery.

Takeaway: *Financial reports now have a longer delivery window—up to 180 days—but must include an affidavit verifying delivery.*

11. Investment of Association Funds

A board has the duty to use best efforts to make prudent investment decisions carefully considering risk and return to invest and manage operating and reserve funds. Investments in certificates of deposit, savings and loans, banks, and credit unions are typical investment vehicles.

Takeaway: *Boards must invest funds carefully and may use low-risk financial institutions without unit owner approval.*

12. Notice Requirements for Board Meetings Conducted by Video Conference

Board meetings may be conducted either in person or by video conference, however, they are subject to the governing requirements for board meetings, video conference meetings, and official record rules.

If a board meeting will be via video conference, the notice must include a hyperlink, conference telephone number for unit owners to attend, as well as the physical address for where unit owners may attend in person. The video conference must be recorded and maintained as an official record.

Takeaway: *Video board meetings must meet notice, recording, and in-person access requirements; be sure to follow official record rules. We recommend an amendment to the bylaws.*

13. Location of Annual Unit Owner Meeting

If the bylaws are silent as to the location of annual meetings of the unit members, the meeting must be held within 15 miles of the condominium property *or* within the same county as the property. If the meeting is conducted via video conference, a unit owner may vote electronically.

Takeaway: *If bylaws don't set a meeting location, the annual meeting must be within 15 miles or in the same county as the condominium.*

14. Physical Quorum of Board Required for Annual Meeting Held Electronically

If the annual meeting of the unit members is held electronically then there must be a quorum of directors *physically present* at the *physical location* where unit owners can attend the meeting. The meeting must be recorded and maintained as an official record.

Takeaway: *Even for virtual annual meetings, a quorum of the board must be physically present at the designated location.*

15. Budget Meetings Open to Video Conferencing

Board or unit owner meetings considering the annual association budget may be conducted via video conferencing. The same rules regarding video conferencing meetings and official records apply. Microphones and speakers should be available in order to adequately hear the conversations of the members attending.

Takeaway: *Budget meetings can be held virtually but must include equipment and access that allow unit owners to fully participate. We recommend that the Bylaws are amended accordingly.*

16. "Substitute Budget" Requirement Simultaneous to Annual Budget

If a board proposes an annual budget with required assessments against unit owners exceeding 115 percent of assessments for prior fiscal years, the board must simultaneously propose a substitute budget removing any discretionary expenditures that are not required to be in the

annual budget. This substitute budget must be proposed at the budget meeting *before* the board adopts the annual budget that is incorporating the 115 percent or more assessment.

At least 14 days prior to this budget meeting where a substitute budget will be proposed, the board must provide notice using the same unchanged rules regarding notice of meetings.

The 115 percent calculation does not take into consideration budgeting for repair, replacement, and maintenance of the components required for the structural integrity reserve study (SIRS) and insurance premiums.

Takeaway: *If the proposed budget raises assessments 115% or more over last year, a trimmed-down 'substitute budget' must also be proposed. Most bylaws have similar language to this but should be updated to reflect these changes.*

17. Increased Threshold for Reserves

The minimum cost threshold for requiring statutory reserve funding has been raised from \$10,000 to \$25,000. This means budgets must now include reserves for major expenses, like roof replacement, building painting, and pavement resurfacing, if the estimated maintenance or replacement cost is over \$25,000 (or the inflation-adjusted equivalent).

This updated threshold also applies to Structural Integrity Reserve Study (SIRS) items. If a component costs more than \$25,000 to repair or replace and its failure would impact any SIRS component, it must be included in the reserves.

The Division of Condominiums is responsible for adjusting the minimum threshold of \$25,000 annually to account for inflation.

Takeaway: *Reserve funding is now required for items costing over \$25,000. We recommended updating the bylaws to reflect this new threshold. Most bylaws will show a \$10,000 threshold which is now inconsistent with Florida law.*

18. Association's Right to Waive Maintenance of Reserves based on SIRS, if Terminating Condominium

If an association votes to terminate the condominium, the members may vote to waive the maintenance of reserves recommended by the recent structural integrity reserve study (SIRS).

Takeaway: *If the condominium is being terminated, association members can vote to stop funding reserves required by the SIRS. Termination issues are complex and competent legal counsel should be consulted.*

19. Funding for Structural Integrity Reserves (SIRS)

Structural integrity reserves may be funded by regular assessments, special assessments, lines of credit, or loans.

Special assessments, lines of credit, or loans require the approval of a majority vote of the total voting interests of the association.

Takeaway: Associations may use loans or credit lines to fund reserves but need unit owner approval unless using regular assessments. Once again, consider an amendment to the association bylaws to be consistent with Florida law.

20. Unit-Owner-Controlled Associations Securing Line of Credit or Loan to Fund Capital Expenses

An association that is required to complete a structural integrity reserve study (SIRS) and has upcoming capital expenses identified through a milestone inspection is now allowed to secure a loan or line of credit to cover the total amount of any previously waived or underfunded reserves.

Takeaway: Unit owner-controlled associations can now borrow to cover previously underfunded or waived reserves flagged by inspections.

21. Requirements for Budgets Adopted On or Before December 31, 2028

For budgets adopted on or before December 31, 2028, a board of directors may, with majority approval from all voting members, temporarily pause or reduce reserve contributions for up to two consecutive years, as long as a milestone inspection was completed within the past two years.

If this pause is properly enacted, the association must then conduct a new structural integrity reserve study to reassess funding needs and update the reserve plan.

This option is not available to:

- Developer-controlled associations
- Associations where unit owners have had control for less than one year
- Associations controlled by a bulk buyer or bulk assignee.

Takeaway: Boards may pause reserve contributions for two years if a recent inspection was done, but only if unit owners approve.

22. Pooling of Reserve Funding for SIRS Items

Reserve funding for structural integrity reserve items may only be pooled with other structural integrity reserve items.

Vote of the members is not required for the board to change the accounting method for reserves to a pooling accounting method or a straight-line accounting method. The decision rests with the board of directors.

Takeaway: Reserve funds for structural items must stay separate from other reserves; the board controls the accounting method. There has been a number of changes on reserves and the inability to waive SIRS. Most bylaws do not address these items. We recommend amendments to the bylaws to address these changes over the past couple of years.

23. Requirements for Contractors Performing Under SIRS Items

Design professionals or contractors performing a structural integrity reserve study must disclose their intent to bid on any services related to any maintenance, repair, or replacement that may be recommended by the study in writing.

The design professional/contractor may not have an interest in either directly or indirectly, in the firm or entity providing the association's structural integrity reserve study or be a relative of any person having a direct or indirect interest in such firm, unless that relationship is disclosed to the association in writing.

Takeaway: *Professionals conducting reserve studies must disclose ties to any firms they may work with on follow-up repairs.*

24. Minimum Requirement for SIRS

The structural integrity reserve study must include, at a minimum, a recommended funding schedule based on a baseline plan that keeps the reserve balance above zero at all times. It also needs to take into consideration the specific funding method chosen by the association, whether through regular assessments, special assessments, loans, or lines of credit.

If the study is completed before the funding method is determined, it must be updated afterward to incorporate the chosen approach.

Takeaway: *Reserve studies must project a funding schedule that never dips below zero and reflect the chosen funding method.*

25. When SIRS Requirement Does NOT Apply

- a. Buildings less than three (3) stories in height;
- b. Single-family, two-family, three-family, or four-family dwellings with three or fewer habitable stories above ground;
- c. Any portion or component of a building that has not been submitted to the condominium form of ownership;
- d. Any portion or component of a building that is maintained by another entity that is not the association.

Takeaway: *SIRS rules don't apply to small buildings, non-condominium property sections, or components maintained by third parties.*

26. SIRS Requirement for Associations Existing On or Before July 1, 2022

Associations existing on or before July 1, 2022 controlled by unit owners must have a structural integrity reserve study completed by December 31, 2025.

Takeaway: *Associations controlled by unit owners before July 1, 2022 must complete a SIRS by December 31, 2025. If your association has not done this, please make immediate arrangements to do so.*

27. Postponement of SIRS

If a condominium association has already completed a milestone or similar inspection required by local authorities, it may postpone its structural integrity reserve study for up to two budget years. This delay allows the association to prioritize funding the repairs and maintenance identified in the inspection.

Takeaway: *Associations may delay the SIRS for up to two years if they recently completed a local government-required inspection.*

28. Officer/Director Affidavit Required Upon Receipt of Completed SIRS

Either an officer or director must sign an affidavit acknowledging receipt of the completed structural integrity reserve study (SIRS).

Takeaway: *Once a SIRS is completed, an officer or director must sign an affidavit acknowledging receipt.*

29. Removal or Reinstallation of Hurricane Protection

Unless the condominium declaration says otherwise, unit owners are not responsible for removing or reinstalling hurricane shutters, windows, or other coverings when that work is needed to allow the association to maintain, repair, or replace common property.

Takeaway: *Owners aren't responsible for removing hurricane protection devices when access is needed for common property repairs.*

30. Immunity from Liability for Associations in Evacuation Procedures

If there is a mandatory evacuation order in the area where the condominium property is located and a unit owner or occupant fails or refuses to cooperate with the evacuation mandate required by the association or board, the association is immune from liability or injury to persons or property arising from this failure or refusal.

Takeaway: *Associations are protected from liability if residents ignore evacuation orders during emergencies. If your association does not have an emergency evacuation policy we recommend it adopt one as a matter of urgency.*

31. No 14-Day Board Meeting Notice Requirement

The 14-day requirement for a board meeting notice where electronic voting will be considered is no longer required under the new legislation.

Takeaway: *Boards no longer need to give 14-day notice before holding a meeting to consider adopting electronic voting. Bylaws should be amended accordingly.*

32. If Unit Owners Submit Petition to Implement Electronic Voting

If at least 25 percent of unit owners submit a petition within 180 days after the last annual meeting, the board is required to hold a meeting within 21 days to consider implementing electronic voting.

If electronic voting hasn't been adopted, new rules require the association to allow unit owners to submit ballots electronically to a designated email address. (Note: this method would not be anonymous in election votes.)

The electronic ballots must follow the statutory format requiring:

- a. Space for the unit owner to type in their unit number
- b. Space for unit owner to type in their first and last name
- c. The following statement in capitalized letters and in a font size larger than any other font used throughout the email from the association to the unit owner:

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 E-MAIL TO THE ASSOCIATION, YOU WAIVE THE 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.

It's assumed that the association has checked all parts of the email account used to receive ballots—like the inbox, spam, and junk folders—if a board member, officer, licensed manager, or agent signs an affidavit saying they did.

This assumption can be challenged if evidence is provided to the contrary.

Takeaway: *If 25% of unit owners timely request electronic voting, the board must meet within 21 days to consider this; until adopted, ballots must be accepted by email using required formatting. Once again, we recommend updating the Bylaws to reflect these updates.*

33. Requirements for Cancelling Certain Contracts Once Association Unit Owner Controlled

If the association manages only one condominium and non-developer unit owners have taken control—or if they own at least 75 percent of the voting interests (or 90 percent for small nonresidential condominiums with 10 or fewer units)—then canceling certain contracts or agreements requires approval from at least 75 percent of those non-developer owners.

If such a contract is canceled before owners take control from the developer, the association must create a new agreement or plan for management and maintenance, based on a vote from at least a majority of the non-developer voting interests.

Takeaway: *Cancelling certain contracts requires 75% approval from non-developer owners once they control the association; if canceled earlier, a new plan needs majority approval.*

34. Annual Financial Reporting Requirements for Shared Facilities

Owners of non-condominium parts of a shared building must give the condominium association a full financial report, including receipts and invoices, within 60 days after the fiscal year ends. If they fail to do so, the state Division can issue penalties and take action to enforce compliance.

The association has 60 days after receiving the full financial report to dispute how shared facility costs were divided. Any dispute must follow the statutory process under 720.311, Florida Statutes.

Takeaway: *Owners of shared (non-condominium) buildings must provide financial records to the association or face enforcement actions.*

35. State-Mandated Online Accounts for Condominium Associations

Effective October 1, 2025, all condominium associations must create and maintain an online account with the Division of Florida Condominiums, Timeshares, and Mobile Homes.

The Division will decide what information must be submitted and how, but associations will generally only need to update this information once a year—unless there is a change in contact details, which must be updated within 30 days.

Before requesting any new information, the Division must give the association at least 45 days' notice.

The required information may include:

a. Contact Details

- Name of the association
- Physical address of the condominium
- Mailing address and county
- Association's email and phone number
- Names and board titles of board members
- Contact info for the property manager or management firm (if any)
- Website link for the association (if it has one)

b. Building Information

- Number of stories (including uninhabitable ones) for each building
- Total number of units
- Age of the buildings (based on the certificate of occupancy)
- Any construction that began on common areas during the calendar year

c. Assessment Information

- Amount of regular or special assessments per unit type, including reserve contributions
- Purpose of the assessment
- Name(s) of financial institutions holding the association's funds

d. Structural Integrity Reports

- A copy of the most recent Structural Integrity Reserve Study (SIRS) and related materials must be provided within 5 business days if requested by the Division.

Takeaway: *October 1, 2025 is rapidly approaching. Associations must create online accounts with the state and keep required information up to date.*

36. Official Records for Condominiums with 25+ Units and 0 Timeshares

A document must be made available on the association's website or made available for download through an app on a mobile device within 30 days after the association creates an official record, unless a shorter period is otherwise required.

Takeaway: *Associations with 25 or more units must post official records to their website or mobile app within 30 days of creation.*

37. Required Language in Contracts Entered into for the Resale of Residential Units and Voidability of Contracts Post-Execution

A contract for the resale of a residential unit must now include specific language required by statute. This includes a clause confirming that the Buyer received a document containing frequently asked questions and answers at least 7 days before the contract was executed.

Additionally, the agreement must contain another clause stating that the Buyer has the right to void the contract within 7 days after execution. This is a change from the previous rule, which allowed only a 3-day voidability window.

Takeaway: *Resale contracts for residential units must now include specific statutory language confirming that the Buyer received the FAQ document at least 7 days before signing. The contract must also state that it is voidable within 7 days after execution—an update from the previous 3-day period.*

➤ **Managers**

38. Revocation of Community Association Managers' Licenses – 468.432, E.S.

If a community association manager's license is revoked, that person cannot own, work for, or be involved with a management firm for 10 years. A manager cannot apply for a new license or registration during that time.

If a contract is between a manager and the association and the manager has his or her license suspended or revoked during the term of the contract, the association may terminate the contract upon delivery of written notice to the manager on the date the manager became unlicensed. The same applies if the management firm's license becomes suspended or revoked.

Takeaway: *Associations should verify the licensing status of their managers from time to time for compliance purposes.*

39. Required Licensure Accounts

Licensed managers must create and maintain an online account with the Department of Business and Professional Regulation (DBPR). Managers must list all associations for which they are the designated manager.

Accounts must be updated within 30 days of any changes.

Takeaway: *Managers must stay current with DBPR requirements; failure to do so could result in penalties or loss of authority to manage associations.*

40. Association's Duty to Ensure Proper Licensing

Associations contracting with an association manager and/or its firm are required to ensure the manager and its firm have all applicable licenses required under Part VIII of Chapter 468 of the Florida Statutes. Board members or officers of the association should maintain records of these licenses prior to entering in a contract.

Takeaway: *Boards must confirm managers hold valid licenses before entering into contracts and should keep records on file.*

41. Community Association Managers' Obligation to Uphold the Law

Community association managers or management must not knowingly violate any state or federal law when acting at the direction of the community association.

Takeaway: *Managers must speak up if directed by the board to take unlawful actions; compliance with the law is the first priority.*

42. Managers' Obligations

Managers and their firms must help their communities meet milestone inspection and structural reserve study requirements, as directed by the board.

Takeaway: *Managers should proactively track and coordinate required inspections and reserve studies to avoid compliance issues.*

43. Contracts Between Community Association and Manager

Contracts for management services must include a statement (in at least 12-point font) that the manager will follow all legal professional and recordkeeping standards. The language should read in at least 12-point font or more:

The community association manager shall abide by all professional standards and record keeping requirements imposed pursuant to part VIII of chapter 468, Florida Statutes.

Takeaway: *Boards should ensure all management contracts clearly include this mandatory language to remain compliant. Manager contracts should always be reviewed by legal counsel prior to execution by the parties.*

44. No Waiver of Professional Practice Standards

Waiver or limitation on the professional standard requirements on contracts between a community association and its manager is not permitted.

Takeaway: *Boards and managers cannot agree to sidestep or weaken legal standards.*

45. Requirements of Community Association Managers Authorized to Provide Management Services

The manager and/or its firm must:

- a. Attend at least one in person member meeting or board meeting annually;
- b. Provide the name and contact information for each manager and their representative to the community association. If the association is required to maintain official records on a website or app, the information, the information must be posted on the association's mobile app.

Takeaway: *Managers must stay current and ensure transparency by sharing updated contact information with owners.*

46. Managers' Conflict of Interest

A conflict of interest is presumed if:

- A manager or their firm proposes or enters a contract for non-management services;
- A manager receives compensation (e.g., referral fees or profit-sharing) from a vendor working with the association;
- A non-management contract bid over \$2,500 is considered.

Takeaway: *Managers should avoid any undisclosed business or financial interests that could appear to conflict with their duties to the association.*

47. How Managers Should Approach Conflicts of Interest

If a manager or firm plans an activity that may be a conflict of interest, it must be listed on the next board meeting agenda. The meeting notice must describe the activity, the potential conflict, and include all related documents. These details no longer need to be in all contracts or transaction documents.

A contract involving a conflict of interest is voidable, and the association retains the right to terminate its management agreement with the manager or the manager's firm by providing written notice of termination.

However, if a manager or managing firm is a party to, or has an interest in, a contract that presents a potential conflict of interest, and that conflict has not been disclosed as required, the contract is no longer considered voidable. Additionally, the association is no longer required to obtain the consent of at least 20 percent of the voting interests in order to terminate the management contract under these circumstances.

Takeaway: *Managers must be transparent about any possible conflicts and ensure proper board disclosure to avoid invalidating contracts.*

➤ Cooperatives

48. Investment of Association Funds

A board has the duty to use best efforts to make prudent investment decisions carefully considering risk and return to invest and manage operating and reserve funds. Investments in certificates of deposit, savings and loans, banks, and credit unions are typical investment vehicles.

Takeaway: *Boards must invest funds carefully and may use low-risk financial institutions without unit owner approval.*

49. Increased Threshold for Reserves

The minimum cost threshold for requiring statutory reserve funding has been raised from \$10,000 to \$25,000. This means budgets must now include reserves for major expenses—like roof replacement, building painting, and pavement resurfacing—if the estimated maintenance or replacement cost is over \$25,000 (or the inflation-adjusted equivalent).

This updated threshold also applies to Structural Integrity Reserve Study (SIRS) items. If a component costs more than \$25,000 to repair or replace and its failure would impact any SIRS component, it must be included in the reserves.

The Division of Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation is responsible for adjusting the minimum threshold of \$25,000 annually to account for inflation.

Takeaway: *Reserve funding is now required for items costing over \$25,000. We recommended updating the Bylaws to reflect this new threshold.*

50. Temporary Pause on Reserve Funding Due to Uninhabitability

If the local building official determines that the entire cooperative building is uninhabitable due to a natural emergency, the association directors may temporarily pause contribution to the association reserve account or reduce reserve funding until the local building official determines that the cooperative building is habitable. Once the local building official verifies that the cooperative building is once again habitable, the association must resume reserve account funding.

Any reserve account funds can be used at the directors determination to make the structure habitable.

Takeaway: *If the cooperative building is deemed uninhabitable by a local building official due to a natural disaster, contribution to the association reserve account may be temporarily paused or funding may be reduced. Reserve funds may be used to make the structural habitable again. Once the local building official verifies its habitability, the association must resume reserve funding.*

51. Funding for Structural Integrity Reserves (SIRS)

Structural integrity reserves may be funded by regular assessments, special assessments, lines of credit, or loans.

Special assessments, lines of credit, or loans require the approval of a majority vote of the total voting interests of the association.

Takeaway: *Associations may use loans or credit lines to fund reserves but need unit owner approval unless using regular assessments.*

52. Unit-Owner-Controlled Associations Securing Line of Credit or Loan to Fund Capital Expenses

A unit owner-controlled association that is required to complete a structural integrity reserve study (SIRS) and has upcoming capital expenses identified through a milestone inspection is now allowed to secure a loan or line of credit to cover the total amount of any previously waived or underfunded reserves.

Takeaway: *Unit owner-controlled associations can now borrow to cover previously underfunded or waived reserves flagged by inspections.*

53. State-Mandated Online Accounts for Cooperative Associations

Starting October 1, 2025, all cooperative associations must create and maintain an online account with the Division of Florida Condominiums, Timeshares, and Mobile Homes.

The Division will decide what information must be submitted and how, but associations will generally only need to update this information once a year—unless there is a change in contact details, which must be updated within 30 days.

Before requesting any new information, the Division must give the association at least 45 days' notice.

The required information may include:

a. Contact Details

- Name of the association
- Physical address of the cooperative
- Mailing address and county
- Association's email and phone number
- Names and board titles of board members
- Contact info for the property manager or management firm (if any)
- Website link for the association (if it has one)

b. Building Information

- Number of stories (including uninhabitable ones) for each building
- Total number of units
- Age of the buildings (based on the certificate of occupancy)
- Any construction that began on common areas during the calendar year

c. Assessment Information

- Amount of regular or special assessments per unit type, including reserve contributions
- Purpose of the assessment
- Name(s) of financial institutions holding the association's funds

d. Structural Integrity Reports

- A copy of the most recent Structural Integrity Reserve Study (SIRS) and related materials must be provided within 5 business days if requested by the Division.

Takeaway: *By October 1, 2025, associations must create online accounts with the state and keep required info up to date.*

54. Required Language in Contracts Entered into for the Resale of Residential Units and Voidability of Contracts Post-Execution

A contract for the resale of a residential unit must now include specific language required by statute. This includes a clause confirming that the Buyer received a document containing frequently asked questions and answers at least 7 days before the contract was executed.

Additionally, the agreement must contain another clause stating that the Buyer has the right to void the contract within 7 days after execution. This is a change from the previous rule, which allowed only a 3-day voidability window.

Takeaway: *Resale contracts for residential units must now include specific statutory language confirming that the Buyer received the FAQ document at least 7 days before signing. The contract must also state that it is voidable within 7 days after execution—an update from the previous 3-day period.*

55. Immunity from Liability for Associations in Evacuation Procedures

If there is a mandatory evacuation order in the area where the cooperative property is located and a unit owner or occupant fails or refuses to cooperate with the evacuation mandate required by the association or board, the association is immune from liability or injury to persons or property arising from this failure or refusal.

Takeaway: *Associations are protected from liability if residents ignore evacuation orders during emergencies. If your association does not have an emergency evacuation policy we recommend it adopt one as a matter of urgency.*

56. Requirements for Contractors Performing Under SIRS Items

Design professionals or contractors performing a structural integrity reserve study must disclose their intent to bid on any services related to any maintenance, repair, or replacement that may be recommended by the study in writing.

The design professional/contractor may not have an interest in, either directly or indirectly, in the firm or entity providing the association's structural integrity reserve study or be a relative of any person having a direct or indirect interest in such firm, unless that relationship is disclosed to the association in writing.

Takeaway: *Professionals conducting reserve studies must disclose ties to any firms they may work with on follow-up repairs.*

57. Minimum Requirement for SIRS

The structural integrity reserve study must include, at a minimum, a recommended funding schedule based on a baseline plan that keeps the reserve balance above zero at all times. It also needs to take into consideration the specific funding method chosen by the association—whether through regular assessments, special assessments, loans, or lines of credit.

If the study is completed before the funding method is determined, it must be updated afterward to incorporate the chosen approach.

Takeaway: *Reserve studies must project a funding schedule that never dips below zero and reflect the chosen funding method.*

58. When SIRS Requirement Does NOT Apply

- a. Buildings less than three (3) stories in height;
- b. Single-family, two-family, three-family, or four-family dwellings with three or fewer habitable stories above ground;
- c. Any portion or component of a building that has not been submitted to the condominium form of ownership;
- d. Any portion or component of a building that is maintained by another entity that is not the association.

Takeaway: *SIRS rules don't apply to small buildings, non-condominium property sections, or components maintained by third parties.*

59. Postponement of SIRS

If a cooperative association has already completed a milestone or similar inspection required by local authorities, it may postpone its structural integrity reserve study for up to two (2) budget years. This delay allows the association to prioritize funding the repairs and maintenance identified in the inspection.

Takeaway: *Associations may delay the SIRS for up to two years if they recently completed a local government-required inspection.*

60. Officer/Director Affidavit Required Upon Receipt of Completed SIRS

Either an officer or director must sign an affidavit acknowledging receipt of the completed structural integrity reserve study.

Takeaway: *Once a SIRS is completed, an officer or director must sign an affidavit acknowledging receipt.*

➤ Homeowner Associations

61. The Following Sections Above Apply Equally to Homeowner Associations: See Sections 38 through 47

- a.** Section 38: Revocation of Community Association Managers' Licenses
- b.** Section 39: Required Licensure Accounts
- c.** Section 40: Associations Duty to Ensure Proper Licensing
- d.** Section 41: Community Association Managers' Obligation to Uphold the Law
- e.** Section 42: Managers' Obligations
- f.** Section 43: Contracts Between Community Association and Manager
- g.** Section 44: No Waiver of Professional Practice Standards
- h.** Section 45: Requirements of Community Association Managers Authorized to Provide Management Services
- i.** Section 46: Managers' Conflict of Interest
- j.** Section 47: How Managers Should Approach Conflicts of Interest

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