



Summary of SB 154 – CONDO SAFETY GLITCH BILL AND REVISIONS TO SB 4D FROM LAST YEAR

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Seen as a “glitch bill,” **SB 154**, which recently passed is a legislative means to resolving certain issues that came from the previous year’s legislative session's **SB 4D**. Consisting of what I would categorize as relatively minor changes to the sweeping building inspection and reserve laws enacted in 2022, here is a look at Senate Bill 154

Last year one of the significant updates to the Florida Condominium Act, **SB 4D** is viewed by many experts as a crucial step toward preventing another catastrophic incident similar to the Surfside tragedy. This year, **SB 154** attempts to clarify ambiguities in SB 4D. This is why SB 154 is considered a **glitch bill**.

The following is a summary of the **key provisions of SB 154**:

1. **Community Association Managers:** The law removes the term "that has a building on the association's property" from the requirement for community association managers to comply with certain provisions relating to mandatory structural inspections.
2. **Milestone Inspections:** The law **revises milestone inspection requirements**, focusing on residential condominiums and cooperative buildings. It clarifies responsibilities, cost-sharing, and reporting requirements for associations. It also provides an option for local enforcement agencies to set a 25-year inspection requirement based on environmental conditions. **Atty note Inspection Deadlines:** The relevance of proximity to the coastline has been removed from the law as a general matter. Statutory deadlines for the “milestone inspection report” are keyed to the 30th year of a building’s existence. **SB 154** does allow local governments to accelerate statewide inspection deadlines, based on local conditions, including proximity to coastlines. Local governments can also grant extensions if the association has signed a contract for the milestone inspection to be done, but the engineer or architect has been unable to complete it, and good cause for the delay is shown.
3. **Flood Insurance:** The law exempts certain units from flood insurance requirements if they are insured for personal property under a flood master policy or if they are located above specific floors based on their position within a special flood hazard area.
4. **Access to Records:** The law clarifies that both association members and their authorized representatives have the right to inspect official records of the association, and the association cannot choose who has this right. **Disclosure:** An association will now have **45 days** after receiving its milestone inspection documents to provide the “summary report” to each owner. Notice must be given by mail, or e-mail for those owners who have given written consent to receive official notices in that manner. The summary report must also be posted on the condominium property, as well as the website of those associations

required by law to have a website. **Additionally, when local government gives the association the statutorily required notice that the inspection must be completed within 180 days, the association has 14 days to give each unit owner notice of this fact.**

5. Reserves and Structural Integrity Reserve Study (SIRS): The law introduces an alternative funding method for multicondominium associations to fulfill reserve funding obligations. It revises requirements for reserve funding, SIRS recommendations, and reserve assessments. Certain buildings and portions/components may be exempt from SIRS requirements. Here are some highlights of the changes on this front:

- Although not expressly stated as such, my interpretation of the law is that unit owners for one and two story condominium buildings, for which a SIRS is not required, may vote to waive the funding of all categories of reserves.
- **However, the minimum waiver vote has been changed from a majority of those who vote a meeting where a quorum is established (the “majority of the quorum” standard) to a majority of the entire voting interests.**
- Associations which are subject to the SIRS requirement may vote to waive or reduce funding for “non-SIRS components,” again by a majority of the entire voting interests.
- **Waiver or reduction of full funding of “SIRS components” is still prohibited.**

“SIRS” Content: The 2022 law created the requirement for covered associations to obtain a “structural integrity reserve study,” which is often referred to as the “SIRS.” **SB 154** contains several changes on this front:

- The new law clarifies the SIRS must only address items which the association is required to maintain under the requirements of the declaration of condominium. For example, if a declaration requires the unit owners to maintain, repair or replace windows, the SIRS does not need to address unit windows.
 - The new law recognizes that certain components of a building, such as the load bearing super-structure, may not be amenable to scheduling reserves based on a useful life/replacement cost formula. Therefore, certain components can be analyzed for reserve purposes based upon deferred maintenance cost projections.
 - The requirement that the visual inspection component of the SIRS can only be performed by an architect or engineer has been repealed.
- 6. Dispute Resolution:** Starting **July 1, 2027**, the law expands mediation options for condominium and cooperative unit owners, allowing them to utilize the mediation process for certain structural and life safety inspection disputes.
- 7. Maintenance Obligations of the Association:** The law specifies maintenance responsibilities for condominium and cooperative associations, including the repair and replacement of applicable property. After turnover of control, the association must maintain property as specified by the developer until new maintenance protocols are obtained.
- 8. Presale Disclosures:** Developers must provide prospective buyers with statements regarding milestone inspections, SIRS, and reserve studies, if applicable. The law introduces additional presale notice requirements in contracts to ensure buyer awareness.

Miscellaneous: SB 154 also does the following:

9. Clarifies that non-condominium components of mixed-use buildings are subject to the law, and requires the owner of the non-condominium components to arrange and pay for the milestone inspection and milestone inspection report.
10. Removes the requirement for developers to provide a SIRS as part of the turnover or transition of control process.
11. Requires affirmative notice of progress to the local building department, within 180 days, when the “phase 1” milestone inspection reveals that a “phase 2” inspection is necessary.
12. Requires the Florida Building Commission, by December 31, 2024, to establish standard inspection and reporting protocols and forms for milestone inspection reports.
13. Appears to allow SIRS reports to be modeled on the “pooled” or “cash flow” method of reserve funding (as opposed to the “straight line” or “component” method), though this is not directly stated in the verbiage of the statute.

The law is effective immediately, except for the dispute resolution provision, which takes effect on July 1, 2027.

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