



## The LaMarca Letter !



Governor Ron DeSantis signed two important pieces of Legislation on Monday HB-393 and HB-913. Both of them have to do with affordability and safety for Condo owners.

### HB-393:

The bill aims to revise and enhance the My Safe Florida Condominium Pilot Program to improve the hurricane resilience of eligible condominiums by providing financial assistance for mitigation projects. Some of the revisions include:

- Require approval of at least 75 percent of all unit owners who reside within the structure or building that is the subject of the mitigation grant, rather than a unanimous vote of all unit owners.
- Eliminate the restrictions that limit grant contributions to:
  - For a roof-related project, \$11 per square foot multiplied by the roof's square footage, not to exceed \$1,000 per unit with a maximum grant award of 50 percent of the project's cost.
  - On an opening protection-related project, a maximum grant award of \$750 per window or door, not to exceed \$1,500 per unit, with a maximum grant award of 50 percent of the project's cost.
- Require that the improvements must be verified during the final hurricane mitigation inspection to qualify for grant funds.
- Provide that grant funds may only be used for water intrusion mitigation devices or mitigation improvements that will result in an insurance premium mitigation credit, discount, or other rate differential for the building or structure to which such device or improvement is applied or made.

### HB-913:

Key Provisions: The final version of HB 913 includes provisions that provide greater financial flexibility to condominium associations. It increases the monetary threshold for reserve items from \$10,000 to \$25,000 and provides for annual increases in the threshold amount for inflation.

• The bill amends requirements relating to structural integrity reserve studies (SIRS), milestone inspections, and condominium and cooperative association governance and management. The bill:

- Extends the deadline for certain associations to have a SIRS completed by December 31, 2025, rather than December 31, 2024.

### In addition, for condominium association budgets adopted on or before December 31, 2028, HB 913:

1. Allows condominium associations to temporarily pause or reduce reserve contributions for no more than two consecutive annual budgets, upon a vote of a majority of the total voting interests, to fund needed repairs recommended by the milestone inspection. If an association pauses or reduces reserving funding, it must perform a SIRS before continuing reserve contribution to determine the association's reserve funding needs and to recommend a reserve funding plan.
2. Allows associations that have completed the required milestone inspection to delay the SIRS for the two consecutive budget years following a milestone inspection to prioritize funding for repairs and maintenance required the milestone inspection.
3. Allows an association that is required to have a SIRS, with the approval of a majority of the voting interests of the association, to fund reserves by a special assessment, a line of credit, or loan, but an association that is controlled by a developer or one or more bulk assignees or bulk buyers is exempt from this provision.

### Structural Integrity Reserve Studies (SIRS):

- Revises the requirements for SIRS to apply the requirement to buildings that are three "habitable" stories or more in height.
- Requires that the SIRS, at a minimum, include a reserve "baseline" funding plan that ensures the reserve cash balance stays above zero. The study may suggest alternative funding schedules if such schedules meet the association's maintenance obligations.
- Requires that the SIRS must differentiate between mandatory reserve items and other reserve items.
- Exempts four-family dwellings with three or fewer habitable stories above ground from the SIRS requirements.

### Milestone Inspections:

- Requires the Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) to create a report compiling the milestone inspections data reported DBPR; and requires the report to be submitted to the presiding officers of the Legislature.
- Revises the requirements for milestone inspections to apply to condominium and cooperative buildings that are three habitable stories or more in height instead of three or more stories under current law.

### Insurance

- Provides that every condominium association must provide adequate property insurance.
- Provides that the amount of adequate insurance coverage for full insurable value, replacement cost, or similar coverage may be based on the replacement cost of the property to be insured, as determined by an independent insurance appraisal or update of a previous appraisal.
- Clarifies that the association's obligation to provide adequate insurance coverage for at least three or more community associations may be satisfied by obtaining and maintaining insurance coverage sufficient to cover an amount equal to the probable maximum loss for the communities for a 250-year windstorm event.

### Reserves

- Revises the term "alternative funding method" to allow all multi-condominiums to use the method (currently limited to multi-condominiums with 25 or more condominiums).
- Provides for the investment of reserve funds in certificates of deposit or deposits in banks and credit unions.
- Provides for the funding of SIRS reserves by the pooling accounting method and allows boards to change the accounting method for reserves to a pooling accounting method or a straight-line accounting method without a vote of the members.

### Electronic Voting:

The bill revises electronic voting requirements for condominiums, including requiring the board to adopt a resolution allowing electronic voting if at least 25 percent of the voting interests petition the board to adopt a resolution for electronic voting.

If you have any questions about how this new legislation is going to affect your building please reach out to my office and we would be happy to help answer any questions you have.

Best Wishes,

Representative Chip LaMarca  
Florida House District 100