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Governor DeSantis Signs Senate Bill Establishing Building Safety Act for Condominium and Cooperative Associations

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Introduction

Yesterday, the Governor signed into law <u>Senate Bill 4-D</u>, passed during special legislative session and which is effective upon becoming law. This Bill is a response to the Surfside collapse last year and modifies Florida Statutes Chapters 553, 718, 719 and 720.

The Bill established a statewide structural inspection program, requiring Condominium and Cooperative Associations to conduct Milestone Structural Inspections of their buildings and to perform Structural Integrity Reserve Studies in order to ensure that Condominium and Cooperative buildings are safe for continued use.

A. Milestone Structural Inspections

A Milestone Structural Inspection is a structural inspection of a building conducted for the purposes of determining a buildings' life safety and structural component integrity or adequacy. A Milestone Structural Inspection must be performed by a licensed engineer or licensed architect.

An Association is required to perform a Milestone Structural Inspection for each building within its community that is three (3) or more stories high. This inspection must occur by December 31 of the year in which the building turns thirty (30) years old and must be conducted every ten (10) years thereafter.

For Condominiums located within three (3) miles of the coastline, each building within the community that is three (3) or more stories high, must be inspected by December 31 of the year in which the building turns twenty-five (25) years old, and then subsequently every ten (10) years thereafter.

If an Association is older than thirty (30) years old (e.g. the building's certificate of occupancy was issued on or before July 1, 1992), the Association must conduct a Milestone Structural Inspection of the buildings within its community before **December 31, 2024**.

The Association is responsible for all costs associated with performing a Milestone Structural Inspection. The Milestone Structural Inspection Report is an official record of the Association. The Report must be maintained by the Association for fifteen (15) years. A Tenant of a Unit has a right to inspect an Association's Milestone Structural Inspection Report, and a prospective purchaser of a Unit has a right to inspect an Association's Summary of the Report.

It is a breach of an Officer or Director's fiduciary duties if an Officer or Director willfully and knowingly fails to have a Milestone Structural Inspection performed, when necessary.



B. Structural Integrity Reserve Study and Reserve Funding Requirements

A Structural Integrity Reserve Study is a study of an Association's reserve funds which are designated for future major repairs and replacements of the Common Areas. The Structural Integrity Reserve Study must consist of a visual inspection of the Common Areas by a licensed engineer or licensed architect and has several required components identified in the new bill.

An Association must have a Structural Integrity Reserve Study completed every ten (10) years, with the initial Structural Integrity Reserve Study by December 31, 2024. As of December 31, 2024, an Association may no longer refuse to fund (may not waive) or underfund the reserves for items required to be included in a Structural Integrity Reserve Study. Furthermore, as of December 31, 2024, for items required to be included in a Structural Integrity Reserve Study, an Association may no longer use those itemized reserve funds (or any interest accruing thereon) for other purposes, and an Association may only use those itemized reserve funds for their designated purposes.

A Structural Integrity Reserve Study is an official record of the Association, which must be maintained by the Association for fifteen (15) years. A prospective purchaser of a Unit has the right to inspect an Association's most recent Structural Integrity Reserve Study. If an Association has not completed a Structural Integrity Reserve Study, the prospective purchaser of a Unit is entitled to a statement stating that the Association has not completed the Study.

It is a breach of an Officer or Director's fiduciary duty if the Association fails to complete a Structural Integrity Reserve Study, as necessary.

Conclusion

Please be aware that each Association must provide certain information about its buildings to the Division of Florida Condominiums, Timeshares, and Mobile Homes on or before **January 1, 2023.** Also, be aware that this Bill may establish different regulations and requirements for Associations that are still controlled by a Developer. Please contact Roetzel's Community Association Law Team for further guidance and details regarding this Bill.

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