

THE CONDO ASSOCIATION

March 19, 2026

DIRECTORS' DIGEST



A Publication of the Law Offices of Lobeck & Rowe



2025-26 Legal Update

Considering the trend of the Florida Legislature to make life for Condominium Associations increasingly difficult, it is to be applauded that they passed no new condo laws in the session that ended on March 13, 2026.

However, in 2025 Legislators piled even more burdens, complexities and liabilities on Association Directors and managers, Those laws, other than noted herein,

became effective July 1, 2025.

Milestone Inspections

The collapse of a 12-story Surfside condominium in 2020 due to construction defects led the building industry to blame the 98 dead unit owners for inadequate reserves while also lobbying into law measures making it more difficult to sue for defects.

“Milestone inspections” to identify defects

were mandated, but not until a building is 30 years old, when it is too late to sue builders and developers. And although the Association in Surfside had plenty of reserves, the “response” to the collapse was to mandate expensive reserves for components that have nothing to do with structural instability.

The Legislature has failed to adequately address this problem. A few changes however, some beneficial, were made in 2025.



Milestone Inspections

The word “habitable” is added to the requirement for milestone inspections on buildings of three or more stories. This allows the garage or other first floor without residential units to be disregarded in determining the building height.

Local building enforcement agencies are required (by October 1, 2025) to provide to the Division of Florida Condominiums, Timeshares and Mobile Homes (“the Division”) certain information regarding the milestone inspections, including the number of buildings inspected, and a list of buildings that have been deemed unsafe or uninhabitable.

The state Office of Program Policy and Government Accountability must compile milestone inspection data and to submit a report to the Legislature.

Local county commissions must adopt an ordinance requiring that are subject to milestone inspection requirements to commence repairs within 365 days after a phase two inspection is received.

Conflicts of Interest – Milestone and Structural Integrity Reserve Studies

Design professionals [architects and engineers, and licensed contractors who bid on structural integrity reserve studies (SIRS) and milestone inspections] must disclose in writing if they intend to bid on maintenance, repair, or replacement work related to the SIRS. A person who conducts or performs a SIRS or milestone inspection or provides recommended services may not have a direct or indirect interest in the firm conducting the study or be related to someone with such an interest unless disclosed to the association in writing. Failure to disclose makes the contract voidable and may result in professional discipline.

Structural Integrity Reserves

The “Surfside Laws” required that non-waivable reserves be fully funded based on a Structural Integrity Reserve Study (SIRS) obtained every ten years after a condominium’s creation for any building with three or more stories. Again, those reserves have nothing to do with preventing structural collapse.

In response to the howls of protest and bad press from the big assessment increases caused by the SIRS requirements, the law is changed as follows.

As with the milestone inspection, only habitable stories are counted in determining whether a building has three or more stories, so as to require a SIRS.

A condominium building with only dwellings for four families is added to the exemption for those housing one to three families.

Most significantly, a unit owner-controlled Association that is required to have a SIRS may instead fund capital expenses required by the SIRS or milestone inspection by a special assessment, a line of credit, or loan, with the approval of a majority of all voting interests of the Associa-

tion. In that event, the SIRS reserves will be reduced accordingly. (There is a constitutional question whether that unit owner approval requirement may override conflicting provisions in the condominium documents, such as allowing a Board to approve a loan or special assessment without a unit owner vote).

A unit owner-controlled Association, for a budget adopted on or before December 31, 2028, that has completed the milestone inspection in the previous two years may 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, in order to fund needed repairs recommended by the milestone inspection. If an Association pauses or reduces reserve funding, it must perform a SIRS before continuing reserve contribution in order to determine the association's reserve funding needs and to recommend a reserve funding plan.

Any Association which operates more than one condominium may use an "alternative funding method" approved by the Division, instead of SIRS. This apparently negates the requirement for unit owner approval for a special assessment, line of credit or loan if that is part of that alternative.

SIRS reserves may be funded by the "pooling" accounting method, in which sufficient funds are budgeted for needs each year rather than allocating an equal portion each year until needed (the "straight line" method). A Board is allowed to change to pooled SIRS reserves without a vote of the members.

The deadline by which an Association must complete a required SIRS was extended from December 31, 2024, to December 31, 2025.

A SIRS must include a reserve "baseline" funding plan that ensures the reserve cash balance stays above zero.

A SIRS must differentiate between mandatory SIRS reserve items and other reserve items.

A Board may pause reserve funding without unit owner approval when the condominium building is declared uninhabitable by the local building official.

An officer or Director of an Association which requires a SIRS must sign an affidavit acknowledging receipt of a completed SIRS.

The division shall adopt by rule the form for the SIRS in coordination with the Florida Building Commission.



SIRS and Non-SIRS Reserves

The law continues to provide that most reserves are SIRS reserves, by a long list in the statute – including others not listed which "negatively affect" the SIRS items if not funded. Non-SIRS reserves – which are required but may be waived or reduced by a vote of approval of all voting interests -- include (among other items not on the SIRS list) paving, elevators (except for their "electrical systems") and tennis and pickleball courts. The following changes affect both SIRS and non-SIRS reserves:

The monetary threshold for non-SIRS reserve items and those not on the SIRS list but affect those that are, is increased from \$10,000 to \$25,000, with annual inflation increases;

Reserve funds may be invested in certificates of deposit or deposits in banks and credit unions without a vote of the unit owners.

Investments

In addition to the new clarified authority of Asso-

ciations to invest reserve fund in banks and credit unions, including in certificates of deposit, the Board is required in fulfilling its “duty” to manage Association funds, both as to reserves and operating funds, to “use its best efforts to make prudent investment decisions that carefully consider risk and return in an effort to maximize returns on investment funds.”



Annual Budget Requirements

This one is very strange.

If a Board proposes to adopt an annual budget which requires assessments against unit owners more than “115 percent of assessments for the prior fiscal year,” (which raises the question of whether special assessments are included) the Board must simultaneously propose “a substitute budget that does not include any discretionary expenditures which are not required to be in the budget.” Excluded from the calculations are insurance, reserves and repairs and replacements which are SIRS reserve items.

That substitute budget must then be presented at “the budget meeting” for a vote of approval by a majority of all voting interests of the unit owners, upon not less than 14 days’ notice. If that vote fails, the initial budget may be adopted by the Board.

The problem with this new law is the requirement to remove in the substitute budget “any discretionary expenditures which are not required to be in the budget.” All anticipated expenses of the Association are required to be in the annual budget (unless planned for a special assessment), and presumably the Board considers all of them necessary rather than expendable in the

discretion of the Board or the unit owners. So really, this new law is meaningless.

Accordingly, Associations should not be hasty to seek to comply with this new law.

This amendment replaces the right of 10% of the unit owners to recall and require a members’ vote on an annual budget which increases assessments more than 15% (in which “betterments” are also excluded from the calculation), at which a majority of all voting interests may amend it.



Annual Financial Statements

Provisions for the annual financial statement of Association are revised as follows:

The date by which the financial report must be completed is increase from 120 days to 180 days, the after the end of the fiscal year.

The Association is allowed, as an alternative to delivering the annual financial statement to the unit owners, to provide a notice that the financial report will be mailed, hand delivered, or provided electronically via the Internet as requested to a unit owner upon request.

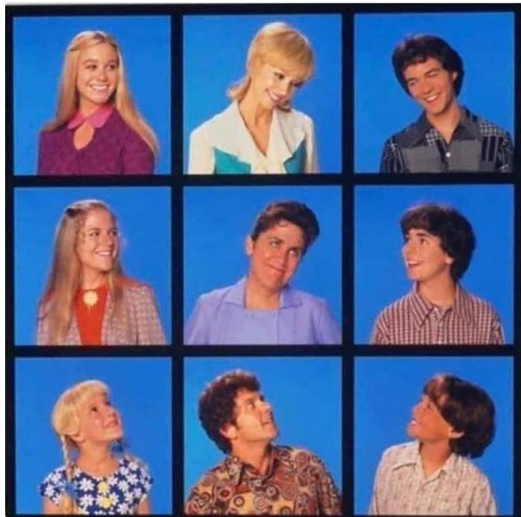
An officer or Director of the association must sign an affidavit evidencing compliance with the requirements for delivery of the annual financial statement.

The provision allowing the level of financial reporting based on annual receipts to be reduced

is changed from majority vote of the voting interests to a majority of all of the voting interests.

Insurance

The requirement that every Association provide adequate property insurance, that is for full insurable value, replacement cost, or similar coverage “may” be based on a professional appraisal of the replacement cost of the property to be insured. The change is to replace the word “shall” with “may.” This allows an Association to come up with some other basis to determine insurable value or replacement cost, thereby creating uncertainty as to what other basis may be allowed. Whichever determination of replacement cost is used, it still must be updated at least every three years.



Condominium Association Meetings

Associations may – but apparently are not required to – conduct meetings by video conferencing, including board meetings, budget meetings, and unit member meetings, subject to the following conditions.

Even if a meeting is by video conferencing, there must be a noticed physical place where unit owners “can attend the meeting in person,” as well as a hyperlink for electronic access. There shall be a device at the meeting to allow persons present to hear and be heard.

The new law states that if a unit owner meeting is conducted by video conference, the owner “may vote electronically in the manner provided in s.718.128.” That statute makes electronic voting an owner-by-owner option. It therefore appears that the Association would have to conduct a hybrid meeting, by which owners may vote in person or by proxy or may opt to vote electronically.

Oddly, if an annual meeting of the members is held by video conference, a quorum of the Board shall be physically present at the physical location where owners may attend the meeting. Where this mandate with no purpose is impractical, the Association may want to consider not including videoconferencing in the meeting or perhaps exploiting a loophole in this law by disabling the video so as to make it audioconferencing only.

The Division must adopt rules for the conduct of meetings by video conference.

Very significantly, s. 718.128 is amended to provide an alternative means of electronic voting to signing up with a company for a complex, secure process. It appears to apply whether or not video conferencing is part of the meeting.

Associations should act to comply with this new law now. It allows a unit owner to vote by email ballot at an email address set up by the Association, on a ballot which states the unit number; the typed first and last name of the owner, matching the signature; and a certain waiver of secrecy stated in the statute. This may be used for any unit owner vote, include election of Directors. The email ballot must be received by the Association prior to the date and time of the meeting, which has the unfortunate effect of excluding the voting owner from discussion on a motion prior to the vote.

Meetings conducted by video conference shall be recorded and kept as official records.

Whether by video conference or not, the limit of the place of a meeting within 45 miles of the con-

dominium if not in the same county is reduced from 45 to 15 miles, subject to any location requirement of the Bylaws.



Official Records on Website

The official records of the Association which must be posted on the Association’s website or app (required if the Association operates a non-timeshare condominium with 25 or more units), are amended to include:

- Video recordings, or a hyperlink, for all meetings held by video conference
- Affidavits required by the Condominium Act
- Approved minutes of Board meetings over the preceding 12 months

Very significantly, all of the many records required to be posted on the Association’s website or app must be posted not later than 30 days after the Association receives or creates the record.

Division of Condominiums, Timeshares, and Mobile Homes

The jurisdiction of the Division is expanded to include:

- Completion of milestone inspections
- Requirements to maintain insurance and fidelity bonding for persons who disperse funds
- Board member education requirements
- Reporting requirements for SIRS
- Reporting Requirement for Condominiums and Cooperatives.

An “official investigation” by the Division now includes official investigations by the Division re-

lating to the criminal prohibitions against tampering with, harassing, or retaliating against a witness, victim, or informant.

Also, all Associations must create an online account with the Division and provide specified information by October 1, 2025, and once per year thereafter, except that contact information must be updated within 30 days of a change. The Division must provide Associations at least 45 days to submit the information after the account is established. The information Associations may be required to submit includes:

- Contact information for the association, its members of the board, and its CAM; and
- The number of units, age of buildings, and assessments.



Emergency Powers

The emergency powers of an Association are expanded to require the evacuation of the property in the event of any evacuation order, instead of a mandatory evacuation order.

Community Association Managers

Chapter 468, Florida Statutes was amended to require that Community Association Managers and Management Firms must:

- Maintain an active online licensure account with the Department of Business and Professional Regulation (DBPR).

- Identify through the function “Community As-

sociations Managed” in their online account:

- The management firm employing the manager.
- Each community association where the manager serves as the designated onsite CAM.
- Update all online licensure account information within 30 days of any change.

Management firms must also list all licensed CAMs under their employment on their account.

Notification of Suspension or Revocation

If a manager’s license is suspended or revoked, DBPR must notify:

- The employing management firm.
- Any affected community associations where the manager provided services.

Licensing Restriction

Any individual whose CAM license has been revoked is prohibited for 10 years from:

- Holding a direct or indirect ownership interest in a community association management firm.
- Serving as an employee, partner, officer, director, or trustee of a CAM firm.

Conflict of Interest Disclosure

Managers, firms, officers, and individuals (or their relatives) with a financial interest must:

- Disclose any activity that may reasonably be considered a conflict of interest to the association’s board. A rebuttable presumption of a conflict exists if such activity occurs without prior notice.

Duties to the Association



Community association managers must:

- Annually attend at least one board or member meeting in person.
- Provide associations members with the name and contact information for each assigned CAM or representative; their availability/ hours of operation; and a summary of their responsibilities. This information must be posted on the Association’s website or app (if applicable) and updated within 30 days of any change (or sooner if otherwise required).
- Make the management contract available to any member upon request, and ensure it is part of the association’s official records.

Contract Requirements

All community association management contracts:

- Must include the following statement (in at least 12-point font), when applicable: “The community association manager shall abide by all professional standards and record-keeping requirements imposed pursuant to part VIII of chapter 468, Florida Statutes.”
- May not contain any waiver or limitation of legally required professional standards.





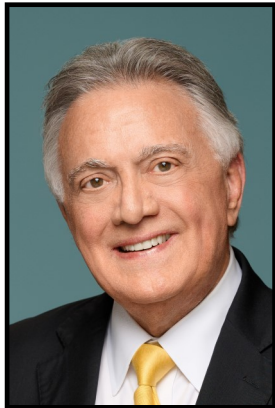
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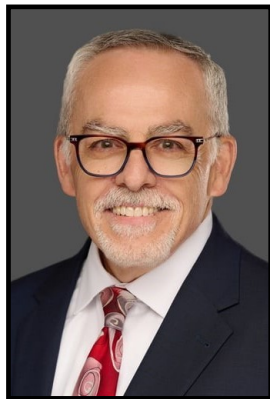


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Joe Gugino



John Jabro



Bobby Reynolds



Michelle Revelt

2033 Main Street, Suite 403, Sarasota, Florida 34237
(941) 955-5622 law@lobeckrowe.com
Check Out Our Website at www.lobeckrowe.com
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