



ROYALE MANAGEMENT
SERVICES

Legislative Update-Special Secession "The Surfside Bill"

SB-4D: Mandated Statewide Milestone Inspections & Structural Integrity Reserve Studies For Condominiums & Cooperatives

It has been nearly a year since the collapse of Champlain Towers, where 98 people tragically lost their lives. The Florida Legislature used the recent Special Secession to pass an extensive bi-partisan condominium reform bill.

As the bill was recently passed and signed into law by the Governor on May 26, 2022. What follows is a brief outline and overview of the law and the extensive changes that it makes, to both Chapter 718 for Condominiums and Chapter 719, for Cooperatives and Florida Statutes 553.899 and apply to buildings that are three (3) stories or greater in height.

As with many things enacted by the legislature, there are many questions that will need to be answered in the days, months, and years ahead as to how it will be implemented, what the law means, and what the costs will be for association and owners that the law affects.

Milestone Inspections, the bill:

- Requires condominium and cooperative association buildings that are three stories or greater in height to have a "milestone inspection" of the buildings' structural integrity by a licensed architect or engineer in the state of Florida when a building reaches:
 - 30 years of age and every 10 years thereafter, or
 - 25 years of age and every 10 years thereafter if the building is located within three miles of a coastline.
- Requires, if a milestone inspection is required and the building's certificate of occupancy was issued on or before July 1, 1992, the building's initial milestone inspection must be performed before December 31, 2024.
- Requires that a phase one milestone inspection must commence within 180 days after an association receives a written notice from the local enforcement agency.
- Requires a phase two milestone inspection if there is evidence of "substantial structural deterioration" as determined by the licensed architect or engineer in a phase one inspection.
- Specifies the minimum contents of a milestone inspection:

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▪ **Phase One-** a licensed architect or engineer authorized to practice in this state shall perform a visual examination of habitable and non habitable areas of a building, including the major structural components of a building, and provide a qualitative assessment of the structural conditions of the building.

▪ **Phase Two-** must be completed if any substantial structural deterioration is identified in phase one. A phase two inspection may involve destructive or non-destructive testing at the inspector's direction. The inspection may be as extensive or as limited as necessary to fully assess areas of substantial structural distress in order to confirm that the building is structurally sound and safe.

- Requires inspection report results to be provided to local building officials and the associations, and requires an inspector-prepared summary outlining areas of deficiency or repair to be provided to unit owners by mail or by email to unit owners who have consented to receive notices by email.
- Requires associations to submit proof that repairs for substantial deterioration have been scheduled or begun within at least 365 days after the local enforcement agency receives a phase two inspection report.
- Requires the Florida Building Commission to make recommendations to the Governor and Legislature regarding the inspection requirements in the bill and inspection for other types of buildings and structures that are three stories or more by Dec. 31st, 2022.
- Gives unit owners the right to inspect and copy, as official records, the milestone inspection report and all other inspection reports relating to structural or life safety, and gives renters the right to inspect the milestone inspection reports.
- Requires the developer's turnover inspection report to comply with the milestone inspection requirements.
- Requires associations to report to the Florida Division of Condominiums, Timeshare, and Mobile Homes (division) the number of buildings that are three stories or higher in height and the total number of units in such buildings on or before January 1, 2023, and requires the division to publish that information on its website.
- Requires condominium associations and cooperative associations to complete a structural integrity reserve study every 10 years by a licensed architect or engineer in the state of Florida for each building in an association that is three stories or greater in height.
- Requires associations existing on or before July 1, 2022, that are controlled by non-developer unit owners to have a structural integrity reserve study completed by December 31, 2024
- Requires the structural integrity reserve study to include a visual inspection, state the estimated remaining useful life, and the estimated replacement cost of the:



- roof
 - load bearing walls or other primary structural members
 - floor
 - foundation
 - fireproofing and fire protection systems
 - electrical systems
 - waterproofing and painting
 - windows
 - plumbing
 - any item with a deferred maintenance or replacement cost that exceeds \$10,000 that will negatively affect any of the foregoing items
- Associations required to have a Structural Integrity Reserve Study performed may not waive, reduce or use the reserves for any other purpose other than that stipulated in the Structural Integrity Reserve Study.
 - Requires a developer to have a structural integrity reserve study completed for each building in the association that is three stories or greater in height before turning over control of an association to the non-developer unit owners.
 - Provides that it is a breach of a board member or officer's fiduciary duty if an association fails to complete a structural integrity reserve study.
- Florida Statute 553.844 – Florida Building Code. Applicable to All Buildings.

DISCLAIMER: This summary is intended to get a discussion process started for boards, managers and owner. It is not intended to offer legal and or professional advice, association will no doubt need to consult with their legal counsel in order to fully understand their responsibilities under the new law. Association will also need to rely of a number of professionals including engineers, architects and contractors to assist in the complex compliance process.