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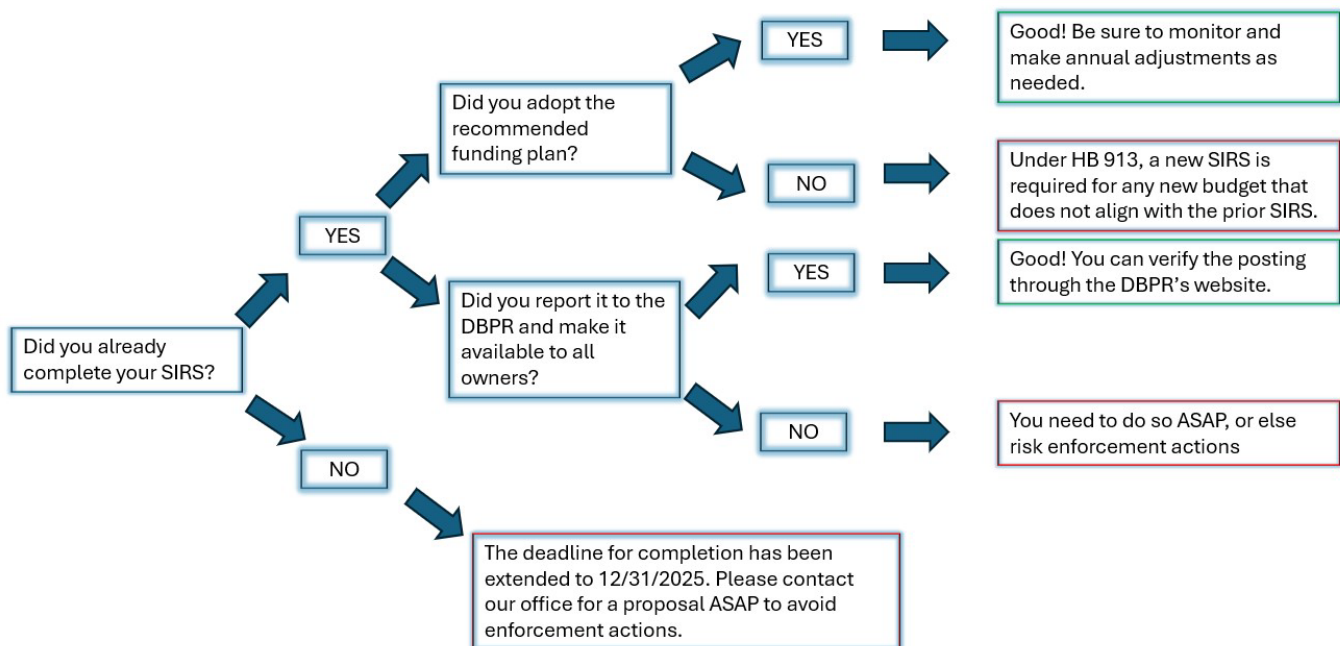
June 26, 2025

Legislative Update – June 2025

HB 913 & Legislative Changes to the SIRS Requirements

Dear Valued Clients:

We are contacting you to inform you of some important recent changes to Florida legislation with regard to Structural Integrity Reserve Study (SIRS) requirements for condominiums and co-operative properties. As of June 23rd, 2025, Governor Ron Desantis has signed HB 913, meaning it will become law effective July 1, 2025. The primary intent of this legislation is to ease the financial burdens on properties subject to the SIRS requirements, but there are some important details and caveats to be aware of. For your convenience, we have separated our analysis into two categories—for those that have already completed a SIRS, and those that have yet to do so. Please refer to the flow chart below, and additional commentary on the following pages for more detailed information.



Part I: If your Association has already completed a SIRS, please read below:

A. Requirement to update the SIRS:

Many Associations obtained a SIRS prior to December 31, 2024, but did not adopt the funding recommendations contained within it. While Associations were legally allowed to waive or partially fund reserves for SIRS components if they passed their budget prior to December 31, 2024, they will no longer have that option. If your Association did not adopt the recommendations from your prior SIRS, you will need to obtain an updated SIRS before adopting your next annual budget.

According to HB 913:

“The Association must obtain an updated structural integrity reserve study before adopting any budget in which the reserve funding from regular assessments, special assessments, lines of credit or loans do not align with the funding plan from the most recent version of the structural integrity reserve study.”

→ The good news is that you won’t need to start over completely. Updating an existing SIRS is simpler and quicker than preparing one for the first time. **Contact our office to discuss the best option for your Association.**

B. Reporting requirements:

Within 45 days of receiving the completed SIRS, the association must have completed the online reporting form posted on the DBPR’s website and made the study available to each unit owner. As part of the new legislation, in addition, an officer or director must sign an affidavit acknowledging receipt.

→ If you’re not sure if your SIRS has been reported, you can search for your property by name using [this website](#). If your SIRS has been completed, and you don’t find your property listed, you can report your SIRS to the DBPR using [this website](#).

C. Incorporation of alternative funding sources:

Under HB 913, Reserves for SIRS-mandated items can now be funded through regular assessments, special assessments, lines of credit, or loans. A special assessment, line of credit, or loan requires approval by a majority vote of the total voting interests of the association. As described in HB 913:

“Funding from the line of credit or loan must be immediately available for access by the board to fund required repair, maintenance, or replacement expenses without further approval by the members of the association.”

→ If your Association has already obtained alternative funding as described here, we can update your SIRS to reflect that those funds are available, which is likely to reduce the need for Reserves in your annual budget.

D. Temporary Pause/Reduction:

For budgets adopted on or before December 31, 2028, an association that has completed a milestone inspection within the previous 2 calendar years, and if that inspection recommended repairs, may temporarily pause or reduce reserve fund contributions for up to two consecutive annual budgets. This requires approval by a majority of the total voting interests. An association pausing reserves under this provision must still have a SIRS performed before resuming contributions.

Part II: If your Association has NOT already completed a SIRS, please read below:

A. Deadline Extension:

If you haven't yet completed your SIRS, you're not alone. Based on data provided by the Florida DBPR, less than half of all properties subject to the SIRS requirement met the initial deadline of December 31, 2024. As such, the deadline has been extended to **December 31, 2025**. However, there are some significant consequences to consider for continued non-compliance, summarized below.

B. Consequences of Non-Compliance

Financial Consequences 💰

\$5,000

Fine per Violation

Maximum civil penalty per offense, with potential for daily fines for continuing violations.

- **Increased Insurance Costs**
Insurers may impose higher premiums on non-compliant buildings due to increased risk.
- **Inevitable Special Assessments**
Without adequate reserves, unexpected or major repair expenses will lead to significant special assessments for owners.
- **Decreased Property Value**
Non-compliance or deferred maintenance can reduce the market appeal and value of units.

Legal Consequences ⚖️

- ✓ **Board Member Fiduciary Duty Breach**
Willfully and knowingly failing to complete a SIRS is a breach of fiduciary duty, exposing board members to personal liability.
- ✓ **Unit Owner Lawsuits**
Owners may sue the association for property damage or personal injury resulting from structural failures due to inadequate maintenance.
- ✓ **DBPR Enforcement Actions**
The state's DBPR can initiate proceedings, impose civil penalties, and even order the removal of non-compliant board members.

Safety and Structural Risks 🚨

- ⚠️ **Critical Deferred Maintenance**
Lack of funds can lead to postponing vital repairs, worsening structural problems over time.
- ⚠️ **Unsafe Living Conditions**
Unaddressed structural issues endanger residents and the integrity of the entire building.
- ⚠️ **Loss of Building Integrity**
Failure to invest in key components can lead to severe deterioration and the possibility of major failures.

In closing, we want you to know we are here to help you navigate these complicated matters. If your association is in need of a new or updated SIRS, you can click [here](#) to start the process of requesting a proposal through our website. Or, if you just have some questions about your Association's unique circumstances, we're happy to discuss with you any time. Please contact us for more information.

Thank you for considering Association Reserves and we look forward to working with you soon.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Will Simons'.

Will Simons, RS
President
Florida/Southeast Regional Office

