

2022 Condo Safety Legislative Trends

Building Inspections and Reserve Study Funding State Legislation Update

Today marks the one-year anniversary of the Champlain Towers South condominium collapse in Surfside, Fla., last June. CAI remembers and honors those who lost their lives, the loved ones of the victims, and the survivors who lost their home and neighbors in the tragic collapse by affirming our commitment to condominium safety.

In the year since the tragedy that took 98 lives, CAI members and staff have been committed to pursuing best practices, education, and public policy to make sure this heartbreaking tragedy never happens again.

To date, nearly 20 state legislatures have considered bills in response to the tragic condo collapse. Following the collapse, <u>Community Associations Institute (CAI)</u> convened specialized task forces to explore changes to laws and best practices for the community association housing model that could help prevent a similar tragedy and to provide solutions for legislators addressing building safety in their districts.

Public policy recommendations in the areas of reserve studies and funding, building maintenance, and structural integrity are detailed in CAI's *Condominium Safety Public Policy Report*. CAI's legislative action committees worked with state legislators over the past year to ensure that these recommendations are considered for adoption into state law to support the existing statutory framework for the development, governance, and management of community associations.

At the end of May, the <u>Florida legislature</u> <u>unanimously</u> passed <u>SB 4D – Building Safety Act for</u> <u>condominium and cooperative associations</u>, which was signed by Gov. Ron DeSantis on May 26. The legislation includes a framework largely based on CAI's recommendations:

- Building inspections as structures reach 30 years old and every 10 years thereafter.
- Mandatory reserve study and funding for structural integrity components (building, floors, windows, plumbing, electrical, etc.).
- Removal of opt-out funding of reserves for structural integrity components.
- Mandatory transparency—providing all owners and residents access to building safety information.
- Clear developer requirements for building inspections, structural integrity reserve study, and funding requirements prior to transition to the residents.

CAI started working with Florida lawmakers last November and worked throughout the legislative session to pass a bill in the special session. Read more on this recently passed law.

SUMMARY OF STATE CONDO SAFETY LEGISLATIVE ACTIVITY



Reserve Studies and Funding. Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Maryland, Tennessee, and Virginia have introduced legislation regulating reserve studies and funding.

- Illinois passed legislation which clarifies that if an association obtains a reserve study that study is part of the association's books and records, owners have a right to examine and copy that reserve study. The bill does not mandate that an association have a reserve study.
- Maryland enacted legislation mandating reserve studies and funding beginning Oct. 1.
- **Virginia** passed legislation creating a study program under the Department of Professional and Occupational Regulation to analyze the adequacy of existing law to address structural integrity and reserves in common interest communities.

Colorado and Connecticut legislation regulating reserves failed during their 2022 legislative sessions. Georgia, Hawaii, and Tennessee adjourned for 2022 without passing this legislation.

<u>Building Maintenance and Structural Integrity.</u> CAI supports additional requirements by developers in both areas during the development process and prior to transition to the homeowners. Structural integrity is addressed through statutorily mandated building inspections starting when the building is 10 years old, another inspection at 20 years, and every five years thereafter. Inspections are based on the American Society of Civil Engineers' published protocol for building inspections.

Florida, Hawaii, and Virginia introduced legislation addressing building inspections and structural integrity. Virginia's new law creates a study group that will analyze structural integrity and reserves. Hawaii's legislation didn't pass.

If your state is considering legislation or regulations to improve condominium safety policy, please connect with <u>CAI's Government and Public Affairs team</u>.

CAI developed a free resource web page with local, state and federal laws, best practices, and other Condominium Safety resources for legislators and your constituents Visit www.CondoSafety.com to access these resources.

If you or your staff have any questions, would like to visit a homeowners association or condominium community in your state, or need additional resources, please don't hesitate to reach out to my team at government@caionline.org or by phone at (888) 224-4321.

Sincerely,



Dawn M. Bauman, CAE



Senior Vice President, Government & Public Affairs Community Associations Institute (CAI) dbauman@caionline.org 703-867-5588

P.S.: Stay informed of trending community association issues and legislative updates by following us on Twitter at @CAladvocacy.