
SENATE BILL 5796

State of Washington**68th Legislature****2024 Regular Session****By** Senators Pedersen and Rivers; by request of Uniform Law Commission

Prefiled 12/04/23.

1 AN ACT Relating to common interest communities; amending RCW
2 64.90.085, 64.90.105, 64.90.300, 64.90.310, 64.90.450, 64.90.480,
3 64.90.520, 64.90.610, 64.90.010, 64.90.065, 64.90.100, 64.90.225,
4 64.90.240, 64.90.260, 64.90.285, 64.90.290, 64.90.405, 64.90.410,
5 64.90.420, 64.90.425, 64.90.445, 64.90.455, 64.90.485, 64.90.485,
6 64.90.495, 64.90.510, 64.90.515, 64.90.570, 64.90.605, 64.90.635,
7 64.90.640, 7.60.110, 18.85.151, 36.70A.699, 43.185B.020, 46.61.419,
8 58.17.040, 59.18.200, 59.18.650, 61.24.030, 61.24.031, 61.24.040,
9 61.24.165, 61.24.190, 64.35.105, 64.35.405, 64.35.505, 64.35.610,
10 64.50.010, 64.50.040, 64.50.050, 64.55.005, 64.55.010, 64.55.070,
11 64.55.090, 64.55.120, 64.55.130, 64.60.010, 64.70.020, 82.02.020,
12 82.04.4298, 64.32.260, 64.34.076, 64.38.095, 64.90.075, 64.90.080,
13 and 64.90.095; reenacting and amending RCW 7.60.025 and 64.06.005;
14 adding new sections to chapter 64.90 RCW; recodifying RCW 64.90.075,
15 64.90.080, and 64.90.095; repealing RCW 64.32.010, 64.32.020,
16 64.32.030, 64.32.040, 64.32.050, 64.32.060, 64.32.070, 64.32.080,
17 64.32.090, 64.32.100, 64.32.110, 64.32.120, 64.32.130, 64.32.140,
18 64.32.150, 64.32.160, 64.32.170, 64.32.180, 64.32.190, 64.32.200,
19 64.32.210, 64.32.220, 64.32.230, 64.32.240, 64.32.250, 64.32.260,
20 64.32.270, 64.32.280, 64.32.290, 64.32.300, 64.32.310, 64.32.320,
21 64.32.330, 64.32.900, 64.32.910, 64.32.920, 64.34.005, 64.34.010,
22 64.34.020, 64.34.030, 64.34.040, 64.34.050, 64.34.060, 64.34.070,
23 64.34.073, 64.34.076, 64.34.080, 64.34.090, 64.34.100, 64.34.110,

1 64.34.120, 64.34.200, 64.34.202, 64.34.204, 64.34.208, 64.34.212,
2 64.34.216, 64.34.220, 64.34.224, 64.34.228, 64.34.232, 64.34.236,
3 64.34.240, 64.34.244, 64.34.248, 64.34.252, 64.34.256, 64.34.260,
4 64.34.264, 64.34.268, 64.34.272, 64.34.276, 64.34.278, 64.34.280,
5 64.34.300, 64.34.304, 64.34.308, 64.34.312, 64.34.316, 64.34.320,
6 64.34.324, 64.34.328, 64.34.332, 64.34.336, 64.34.340, 64.34.344,
7 64.34.348, 64.34.352, 64.34.354, 64.34.356, 64.34.360, 64.34.364,
8 64.34.368, 64.34.372, 64.34.376, 64.34.380, 64.34.382, 64.34.384,
9 64.34.386, 64.34.388, 64.34.390, 64.34.392, 64.34.394, 64.34.395,
10 64.34.396, 64.34.397, 64.34.398, 64.34.400, 64.34.405, 64.34.410,
11 64.34.415, 64.34.417, 64.34.418, 64.34.420, 64.34.425, 64.34.430,
12 64.34.435, 64.34.440, 64.34.442, 64.34.443, 64.34.445, 64.34.450,
13 64.34.452, 64.34.455, 64.34.460, 64.34.465, 64.34.470, 64.34.900,
14 64.34.910, 64.34.930, 64.34.931, 64.34.940, 64.34.950, 64.38.005,
15 64.38.010, 64.38.015, 64.38.020, 64.38.025, 64.38.028, 64.38.030,
16 64.38.033, 64.38.034, 64.38.035, 64.38.040, 64.38.045, 64.38.050,
17 64.38.055, 64.38.057, 64.38.060, 64.38.062, 64.38.065, 64.38.070,
18 64.38.075, 64.38.080, 64.38.085, 64.38.090, 64.38.095, 64.38.100,
19 64.38.110, 64.38.120, 64.38.130, 64.38.140, 64.38.150, 64.38.160,
20 58.19.010, 58.19.020, 58.19.030, 58.19.045, 58.19.055, 58.19.120,
21 58.19.130, 58.19.140, 58.19.180, 58.19.185, 58.19.190, 58.19.265,
22 58.19.270, 58.19.280, 58.19.300, 58.19.920, 58.19.940, 64.04.055, and
23 64.90.090; providing effective dates; and providing an expiration
24 date.

25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

26 **PART I**
27 **UNLAWFUL RESTRICTIONS IN GOVERNING DOCUMENTS**

28 NEW SECTION. **Sec. 101.** A new section is added to chapter 64.90
29 RCW to read as follows:

30 (1) The board of an association may, without a vote of the unit
31 owners, amend the governing documents to remove an unlawful
32 restriction.

33 (2) A unit owner may request, in a record that sufficiently
34 identifies an unlawful restriction in the governing document, that
35 the board exercise its authority under subsection (1) of this
36 section. Not later than 90 days after the board receives the request,
37 the board shall determine reasonably and in good faith whether the

1 governing document includes the unlawful restriction. If the board
2 determines the governing document includes the unlawful restriction,
3 the board not later than 90 days after the determination shall amend
4 the governing document to remove the unlawful restriction.

5 (3) Notwithstanding any provision of the governing document or
6 other law of this state, the board may execute an amendment under
7 this section.

8 (4) An amendment under this section is effective notwithstanding
9 any provision of the governing document or other law of this state
10 that requires a vote of the unit owners to amend the governing
11 document.

12 (5) For purposes of this section and section 102 of this act:

13 (a) "Amendment" means a document that removes an unlawful
14 restriction.

15 (b) "Document" means a record recorded or eligible to be recorded
16 in land records.

17 (c) "Remove" means eliminate any apparent or purportedly
18 continuing effect on title to real property.

19 (d) "Unlawful restriction" means a prohibition, restriction,
20 covenant, or condition in a governing document that purports to
21 interfere with or restrict the transfer, use, or occupancy of a unit:

22 (i) On the basis of race, color, religion, national origin, sex,
23 familial status, disability, or other personal characteristics; and

24 (ii) In violation of other law of this state or federal law.

25 NEW SECTION. **Sec. 102.** A new section is added to chapter 64.90
26 RCW to read as follows:

27 (1) An amendment under section 101 of this act must identify the
28 association of owners, the real property affected, and the document
29 containing the unlawful restriction. The amendment must include a
30 conspicuous statement in substantially the following form:

31 "This amendment removes from this deed or other document
32 affecting title to real property an unlawful restriction as defined
33 under RCW 64.90.--- (section 101 of this act). This amendment does
34 not affect the validity or enforceability of a restriction that is
35 not an unlawful restriction."

36 (2) The amendment must be executed and acknowledged in the manner
37 required for recordation of a document in the land records. The
38 amendment must be recorded in the land records of each county in
39 which the document containing the unlawful restriction is recorded.

1 (3) The amendment does not affect the validity or enforceability
2 of any restriction that is not an unlawful restriction.

3 (4) The amendment or a future conveyance of the affected real
4 property is not a republication of a restriction that otherwise would
5 expire by passage of time under other law of this state.

6 **PART II**

7 **2021 AMENDMENTS TO THE UNIFORM COMMON INTEREST OWNERSHIP ACT**

8 **Sec. 201.** RCW 64.90.085 and 2018 c 277 s 118 are each amended to
9 read as follows:

10 Amendments to this chapter apply to all common interest
11 communities (~~except those that (1) were created prior to July 1,~~
12 ~~2018, and (2) have not subsequently amended their governing documents~~
13 ~~to provide that this chapter will apply to the common interest~~
14 ~~community pursuant to RCW 64.90.095)) subject to this chapter,~~

15 regardless of when the amendments become effective.

16 **Sec. 202.** RCW 64.90.105 and 2018 c 277 s 122 are each amended to
17 read as follows:

18 This chapter does not apply to a common interest community
19 located outside this state, but RCW 64.90.605 and 64.90.610, and, to
20 the extent applicable, RCW 64.90.615 and 64.90.620, apply to a
21 contract for the disposition of a unit in that common interest
22 community signed in this state by any party unless exempt under RCW
23 64.90.600(2).

24 **Sec. 203.** RCW 64.90.300 and 2018 c 277 s 221 are each amended to
25 read as follows:

26 (1) (~~(If the declaration provides that any of the powers~~
27 ~~described in RCW 64.90.405 are to be exercised by or may be delegated~~
28 ~~to a for-profit or nonprofit corporation or limited liability company~~
29 ~~that exercises those or other powers on behalf of one or more common~~
30 ~~interest communities or for the benefit of the unit owners of one or~~
31 ~~more common interest communities, all)) A declaration may:~~

32 (a) Delegate a power under RCW 64.90.405(1) from the unit owners
33 association to a master association;

34 (b) Provide for exercise of the powers under RCW 64.90.405(1) by
35 a master association that also serves as the unit owners association
36 for the common interest community; and

1 (c) Reserve a special declarant right to make the common interest
2 community subject to a master association.

3 (2) All provisions of this chapter applicable to unit owners
4 associations apply to ~~((any such corporation or limited liability~~
5 ~~company)) the master association, except as modified by this section.~~

6 ~~((2))~~ (3) A unit owners association may delegate a power under
7 RCW 64.90.405(1) to a master association without amending the
8 declaration. The board of the unit owners association shall give
9 notice to the unit owners of a proposed delegation and include a
10 statement that unit owners may object in a record to the delegation
11 not later than 30 days after delivery of the notice. The delegation
12 becomes effective if the board does not receive a timely objection
13 from unit owners of units to which at least 10 percent of the votes
14 in the association are allocated. If the board receives a timely
15 objection by at least 10 percent of the votes, the delegation becomes
16 effective only if the unit owners vote under RCW 64.90.455 to approve
17 the delegation by a majority vote. The delegation is not effective
18 until the master association accepts the delegation.

19 (4) A delegation under subsection (1)(a) of this section may be
20 revoked only by an amendment to the declaration.

21 (5) At a meeting of the unit owners which lists in the notice of
22 the meeting the subject of delegation of powers from the board to a
23 master association, the unit owners may revoke the delegation by a
24 majority of the votes cast at the meeting. The effect of revocation
25 on the rights and obligations of parties under a contract between a
26 unit owners association and a master association is determined by law
27 of this state other than this chapter.

28 (6) Unless it is acting in the capacity of ~~((a))~~ a unit owners
29 association ~~((described in RCW 64.90.400))~~, a master association may
30 exercise the powers set forth in RCW 64.90.405(1)(b) only to the
31 extent expressly permitted in the declarations of common interest
32 communities that are part of the master association or expressly
33 described in the delegations of power from those common interest
34 communities to the master association.

35 ~~((3))~~ If the declaration of any common interest community
36 provides that the board may delegate certain powers to a master
37 association, the board is not liable for the acts or omissions of the
38 master association with respect to those powers following delegation.

39 ~~(4))~~ (7) After a unit owners association delegates a power to a
40 master association, the unit owners association, its board members,

1 and its officers are not liable for an act or omission of the master
2 association with respect to the delegated power.

3 (8) The rights and responsibilities of unit owners with respect
4 to the unit owners association set forth in RCW 64.90.410, 64.90.445,
5 64.90.450, 64.90.455, 64.90.465, and 64.90.505 apply in the conduct
6 of the affairs of a master association only to persons who elect the
7 board of a master association, whether or not those persons are
8 otherwise unit owners within the meaning of this chapter.

9 ~~((5) If a master association is also an association described in~~
10 ~~RCW 64.90.400, the organizational documents of the master association~~
11 ~~and the declaration of each common interest community, the powers of~~
12 ~~which are assigned by the declaration or delegated to the master~~
13 ~~association, may provide that)) (9) Not later than 90 days after
14 termination of a period of declarant control of the master
15 association, the board of the master association must be elected
16 ~~((after the period of declarant control))~~ in ~~((any))~~ one of the
17 following ways:~~

18 (a) ~~((All))~~ The unit owners of all common interest communities
19 subject to the master association may elect all members of the master
20 association's board; or

21 ~~((All board members of all common interest communities~~
22 ~~subject to the master association may elect all members of the master~~
23 ~~association's board;~~

24 ~~(e) All))~~ The unit owners in, or the board of, each common
25 interest community subject to the master association ~~((may))~~ elect
26 ~~((specified))~~ one or more members of the master association's
27 board(~~;~~ ~~or~~

28 ~~(d) All board members of each common interest community subject~~
29 ~~to the master association may elect specified members of the master~~
30 ~~association's board))~~ if the instruments governing the master
31 association apportion the seats on the board to each common interest
32 community in a manner roughly proportional to the number of units in
33 each common interest community.

34 (10) A period of declarant control of the master association
35 under subsection (9) of this section terminates not later than the
36 earlier of:

37 (a) The termination under RCW 64.90.415 of all periods of
38 declarant control of all common interest communities subject to the
39 master association under RCW 64.90.415; or

1 (b) 60 days after conveyance to unit owners other than a
2 declarant of 75 percent of the units that may be created in all
3 common interest communities subject to the master association.

4 **Sec. 204.** RCW 64.90.310 and 2018 c 277 s 223 are each amended to
5 read as follows:

6 (1) Any two or more common interest communities (~~(of the same~~
7 ~~form of ownership, by agreement of the unit owners as provided in~~
8 ~~subsection (2) of this section,~~) may be merged or consolidated under
9 subsection (2) of this section into a single common interest
10 community by agreement of the unit owners or exercise of a special
11 declarant right. In the event of a merger or consolidation, unless
12 the agreement otherwise provides, the resultant common interest
13 community is the legal successor, for all purposes, of all of the
14 preexisting common interest communities, and the operations and
15 activities of all associations of the preexisting common interest
16 communities are merged or consolidated into a single association that
17 holds all powers, rights, obligations, assets, and liabilities of all
18 preexisting associations.

19 (2) An agreement of two or more common interest communities to
20 merge or consolidate pursuant to subsection (1) of this section must
21 be evidenced by an agreement prepared, executed, recorded, and
22 certified by the president of the association of each of the
23 preexisting common interest communities following approval by unit
24 owners of units to which are allocated the percentage of votes in
25 each common interest community required to terminate that common
26 interest community. If a special declarant right is exercised in a
27 common interest community, approval by the unit owners is not
28 required and the declarant may execute the agreement on behalf of the
29 common interest community. The agreement must be recorded in every
30 county in which a portion of the common interest community is located
31 and is not effective until recorded.

32 (3) Every merger or consolidation agreement, and every amendment
33 providing for a merger or consolidation made by a declarant when
34 exercising a special declarant right, must identify the declaration
35 that will apply to the resultant common interest community and
36 provide for the reallocation of allocated interests among the units
37 of the resultant common interest community either (a) by stating the
38 reallocations or the formulas upon which they are based or (b) by
39 stating the percentage of overall allocated interests of the

1 resultant common interest community that are allocated to all of the
2 units comprising each of the preexisting common interest communities,
3 and providing that the portion of the percentages allocated to each
4 unit formerly comprising a part of the preexisting common interest
5 community is equal to the percentages of allocated interests
6 allocated to that unit by the declaration of the preexisting common
7 interest community.

8 NEW SECTION. **Sec. 205.** A new section is added to chapter 64.90
9 RCW to read as follows:

10 A unit owner or person claiming through a unit owner may not
11 acquire title by adverse possession to, or an easement by
12 prescription in, a common element in derogation of the title of
13 another unit owner or the association.

14 **Sec. 206.** RCW 64.90.450 and 2018 c 277 s 311 are each amended to
15 read as follows:

16 (1) Unless the organizational documents provide otherwise, a
17 quorum is present throughout any meeting of the unit owners if at the
18 beginning of the meeting persons entitled to cast ~~((twenty))~~ 20
19 percent of the votes in the association(~~(÷~~

20 ~~(a) Are present~~)) attend in person ~~((or))~~, by proxy ~~((at the~~
21 ~~beginning of the meeting;~~

22 ~~(b) Have voted by absentee ballot; or~~

23 ~~(c) Are present by any combination of (a) and (b) of this~~
24 ~~subsection)), by means of communication under RCW 64.90.445(1) (e) or~~
25 (f), or have voted by absentee ballot.

26 (2) Unless the organizational documents specify a larger number,
27 a quorum of the board is present for purposes of determining the
28 validity of any action taken at a meeting of the board only if
29 individuals entitled to cast a majority of the votes on that board
30 are present at the time a vote regarding that action is taken. If a
31 quorum is present when a vote is taken, the affirmative vote of a
32 majority of the board members present is the act of the board unless
33 a greater vote is required by the organizational documents.

34 **Sec. 207.** RCW 64.90.480 and 2018 c 277 s 317 are each amended to
35 read as follows:

36 (1)(a) Assessments for common expenses and those specially
37 allocated expenses that are subject to inclusion in a budget must be

1 made at least annually based on a budget adopted at least annually by
2 the association in the manner provided in RCW 64.90.525.

3 (b) Assessments for common expenses and specially allocated
4 expenses must commence on all units that have been created upon the
5 conveyance of the first unit in the common interest community;
6 however, the declarant may delay commencement of assessments for some
7 or all common expenses or specially allocated expenses, in which
8 event the declarant must pay all of the common expenses or specially
9 allocated expenses that have been delayed. In a common interest
10 community in which units may be added pursuant to reserved
11 development rights, the declarant may delay commencement of
12 assessments for such units in the same manner.

13 (2) The declaration may provide that, upon closing of the first
14 conveyance of each unit to a purchaser or first occupancy of a unit,
15 whichever occurs first, the association may assess and collect a
16 working capital contribution for such unit. The working capital
17 contribution may be collected prior to the commencement of common
18 assessments under subsection (1) of this section. A working capital
19 contribution may not be used to defray expenses that are the
20 obligation of the declarant.

21 (3) Except as provided otherwise in this section, all common
22 expenses must be assessed against all the units in accordance with
23 their common expense liabilities, subject to the right of the
24 declarant to delay commencement of certain common expenses under
25 subsections (1) and (2) of this section. Any past due assessment or
26 installment of past due assessment bears interest at the rate
27 established by the association pursuant to RCW 64.90.485.

28 (4) The declaration may provide that any of the following
29 expenses of the association must be assessed against the units on
30 some basis other than common expense liability. If and to the extent
31 the declaration so provides, the association must assess:

32 (a) Expenses associated with the operation, maintenance, repair,
33 or replacement of any specified limited common element against the
34 units to which that limited common element is assigned, equally or in
35 any other proportion that the declaration provides;

36 (b) Expenses specified in the declaration as benefiting fewer
37 than all of the units or their unit owners exclusively against the
38 units benefited in proportion to their common expense liability or in
39 any other proportion that the declaration provides, but if the common
40 expense is for the maintenance, repair, or replacement of a common

1 element other than a limited common element, the expense may be
2 assessed exclusively against them only if the declaration reasonably
3 identifies the common expense by specific listing or category;

4 (c) The costs of insurance in proportion to risk; and

5 (d) The costs of one or more specified services or utilities in
6 proportion to respective usage, whether metered, billed in bulk based
7 on unit count, or reasonably estimated, or upon the same basis as
8 such utility charges are made by the utility provider.

9 (5) Assessments to pay a judgment against the association may be
10 made only against the units in the common interest community at the
11 time the judgment was entered, in proportion to their common expense
12 liabilities.

13 ~~((To the extent that any expense of the association is caused~~
14 ~~by willful misconduct or gross negligence of any unit owner or that~~
15 ~~unit owner's tenant, guest, invitee, or occupant, the association may~~
16 ~~assess that expense against the unit owner's unit after notice and an~~
17 ~~opportunity to be heard, even if the association maintains insurance~~
18 ~~with respect to that damage or common expense.)) The association may
19 assess exclusively against a unit owner's unit a common expense,
20 including expense relating to damage to or loss of property, caused
21 by:~~

22 (a) Willful misconduct of the unit owner or the unit owner's
23 tenant, guest, invitee, or occupant; or

24 (b) Failure of the unit owner to comply with a maintenance
25 standard prescribed by the declaration or a rule, if the standard
26 contains a statement that an owner may be liable for damage or loss
27 caused by failure to comply with the standard.

28 ~~((If the declaration so provides, to the extent that any~~
29 ~~expense of the association is caused by the negligence of any unit~~
30 ~~owner or that unit owner's tenant, guest, invitee, or occupant, the~~
31 ~~association may assess that expense against the unit owner's unit~~
32 ~~after notice and an opportunity to be heard, to the extent of the~~
33 ~~association's deductible and any expenses not covered under an~~
34 ~~insurance policy issued to the association.)) Before an association
35 makes an assessment under subsection (6) of this section, the
36 association must give notice to the unit owner and provide an
37 opportunity for a hearing. The assessment is limited to the expense
38 the association incurred under subsection (6) of this section less
39 any insured proceeds received by the association, whether the
40 difference results from the application of a deductible or otherwise.~~

1 (8) In the event of a loss or damage to a unit that would be
2 covered by the association's property insurance policy, excluding
3 policies for earthquake, flood, or similar losses that have higher
4 than standard deductibles, but that is within the deductible under
5 that policy and if the declaration so provides, the association may
6 assess the amount of the loss up to the deductible against that unit.
7 This subsection does not prevent a unit owner from asserting a claim
8 against another person for the amount assessed if that other person
9 would be liable for the damages under general legal principles.

10 (9) If common expense liabilities are reallocated, assessments
11 and any installment of assessments not yet due must be recalculated
12 in accordance with the reallocated common expense liabilities.

13 **Sec. 208.** RCW 64.90.520 and 2018 c 277 s 325 are each amended to
14 read as follows:

15 (1) Unit owners present in person, by proxy, by means of
16 communication under RCW 64.90.445(1) (e) or (f), or by absentee
17 ballot at any meeting of the unit owners at which a quorum is
18 present, may remove any board member and any officer elected by the
19 unit owners, with or without cause, if the number of votes in favor
20 of removal cast by unit owners entitled to vote for election of the
21 board member or officer proposed to be removed is at least the lesser
22 of (a) a majority of the votes in the association held by such unit
23 owners or (b) two-thirds of the votes cast by such unit owners at the
24 meeting, but:

25 (i) A board member appointed by the declarant may not be removed
26 by a unit owner vote during any period of declarant control;

27 (ii) A board member appointed under RCW ~~((64.90.420(3))~~
28 64.90.410(7) may be removed only by the person that appointed that
29 member; and

30 (iii) The unit owners may not consider whether to remove a board
31 member or officer at a meeting of the unit owners unless that subject
32 was listed in the notice of the meeting.

33 (2) At any meeting at which a vote to remove a board member or
34 officer is to be taken, the board member or officer being considered
35 for removal must have a reasonable opportunity to speak before the
36 vote.

37 (3) At any meeting at which a board member or officer is removed,
38 the unit owners entitled to vote for the board member or officer may

1 immediately elect a successor board member or officer consistent with
2 this chapter.

3 (4) The board may, without a unit owner vote, remove from the
4 board a board member or officer elected by the unit owners if (a) the
5 board member or officer is delinquent in the payment of assessments
6 more than (~~sixty~~) 60 days and (b) the board member or officer has
7 not cured the delinquency within (~~thirty~~) 30 days after receiving
8 notice of the board's intent to remove the board member or officer.
9 Unless provided otherwise by the governing documents, the board may
10 remove an officer elected by the board at any time, with or without
11 cause. The removal must be recorded in the minutes of the next board
12 meeting.

13 **Sec. 209.** RCW 64.90.610 and 2019 c 238 s 212 are each amended to
14 read as follows:

15 (1) A public offering statement must contain the following
16 information:

17 (a) The name and address of the declarant;

18 (b) The name and address or location of the management company,
19 if any;

20 (c) The relationship of the management company to the declarant,
21 if any;

22 (d) The name and address of the common interest community;

23 (e) A statement whether the common interest community is a
24 condominium, cooperative, plat community, or miscellaneous community;

25 (f) A list, current as of the date the public offering statement
26 is prepared, of up to the five most recent common interest
27 communities in which at least one unit was sold by the declarant or
28 an affiliate of the declarant within the past five years, including
29 the names of the common interest communities and their addresses;

30 (g) The nature of the interest being offered for sale;

31 (h) A general description of the common interest community,
32 including to the extent known to the declarant, the types and number
33 of buildings that the declarant anticipates including in the common
34 interest community and the declarant's schedule of commencement and
35 completion of such buildings and principal common amenities;

36 (i) The status of construction of the units and common elements,
37 including estimated dates of completion if not completed;

38 (j) The number of existing units in the common interest
39 community;

1 (k) Brief descriptions of (i) the existing principal common
2 amenities, (ii) those amenities that will be added to the common
3 interest community, and (iii) those amenities that may be added to
4 the common interest community;

5 (l) A brief description of the limited common elements, other
6 than those described in RCW 64.90.210 (1)(b) and (3), that may be
7 allocated to the units being offered for sale;

8 (m) The identification of any rights of persons other than unit
9 owners to use any of the common elements, and a description of the
10 terms of such use;

11 (n) The identification of any real property not in the common
12 interest community that unit owners have a right to use and a
13 description of the terms of such use;

14 (o) Any services the declarant provides or expenses that the
15 declarant pays that are not reflected in the budget, but that the
16 declarant expects may become at any subsequent time a common expense
17 of the association, and the projected common expense attributable to
18 each of those services or expenses;

19 (p) An estimate of any assessment or payment required by the
20 declaration to be paid by the purchaser of a unit at closing;

21 (q) A brief description of any liens or monetary encumbrances on
22 the title to the common elements that will not be discharged at
23 closing;

24 (r) A brief description or a copy of any express construction
25 warranties to be provided to the purchaser;

26 (s) A statement, as required under RCW 64.35.210, as to whether
27 the units or common elements of the common interest community are
28 covered by a qualified warranty;

29 (t) If applicable to the common interest community, a statement
30 whether the common interest community contains any multiunit
31 residential building subject to chapter 64.55 RCW and, if so,
32 whether:

33 (i) The building enclosure has been designed and inspected to the
34 extent required under RCW 64.55.010 through 64.55.090; and

35 (ii) Any repairs required under RCW 64.55.090 have been made;

36 (u) A statement of any unsatisfied judgments or pending suits
37 against the association and the status of any pending suits material
38 to the common interest community of which the declarant has actual
39 knowledge;

1 (v) A statement of any litigation brought by an owners'
2 association, unit owner, or governmental entity in which the
3 declarant or any affiliate of the declarant has been a defendant
4 arising out of the construction, sale, or administration of any
5 common interest community within the previous five years, together
6 with the results of the litigation, if known;

7 (w) A brief description of:

8 (i) Any restrictions on use or occupancy of the units contained
9 in the governing documents;

10 (ii) Any restrictions on the renting or leasing of units by the
11 declarant or other unit owners contained in the governing documents;

12 (iii) Any rights of first refusal to lease or purchase any unit
13 or any of the common elements contained in the governing documents;
14 and

15 (iv) Any restriction on the amount for which a unit may be sold
16 or on the amount that may be received by a unit owner on sale;

17 (x) A description of the insurance coverage provided for the
18 benefit of unit owners;

19 (y) Any current or expected fees or charges not included in the
20 common expenses to be paid by unit owners for the use of the common
21 elements and other facilities related to the common interest
22 community, together with any fees or charges not included in the
23 common expenses to be paid by unit owners to any master or other
24 association;

25 (z) The extent, if any, to which bonds or other assurances from
26 third parties have been provided for completion of all improvements
27 that the declarant is obligated to build pursuant to RCW 64.90.695;

28 (aa) In a cooperative, a statement whether the unit owners are
29 entitled, for federal, state, and local income tax purposes, to a
30 pass-through of any deductions for payments made by the association
31 for real estate taxes and interest paid to the holder of a security
32 interest encumbering the cooperative;

33 (bb) In a cooperative, a statement as to the effect on every unit
34 owner's interest in the cooperative if the association fails to pay
35 real estate taxes or payments due to the holder of a security
36 interest encumbering the cooperative;

37 (cc) In a leasehold common interest community, a statement
38 whether the expiration or termination of any lease may terminate the
39 common interest community or reduce its size, the recording number of
40 any such lease or a statement of where the complete lease may be

1 inspected, the date on which such lease is scheduled to expire, a
2 description of the real estate subject to such lease, a statement
3 whether the unit owners have a right to redeem the reversion, a
4 statement whether the unit owners have a right to remove any
5 improvements at the expiration or termination of such lease, a
6 statement of any rights of the unit owners to renew such lease, and a
7 reference to the sections of the declaration where such information
8 may be found;

9 (dd) A summary of, and information on how to obtain a full copy
10 of, any reserve study and a statement as to whether or not it was
11 prepared in accordance with RCW 64.90.545 and 64.90.550 or the
12 governing documents;

13 (ee) A brief description of any arrangement described in RCW
14 64.90.110 binding the association;

15 (ff) The estimated current common expense liability for the units
16 being offered;

17 (gg) Except for real property taxes, real property assessments
18 and utility liens, any assessments, fees, or other charges known to
19 the declarant and which, if not paid, may constitute a lien against
20 any unit or common elements in favor of any governmental agency;

21 (hh) A brief description of any parts of the common interest
22 community, other than the owner's unit, which any owner must
23 maintain;

24 (ii) Whether timesharing is permitted or prohibited, and, if
25 permitted, a statement that the purchaser of a timeshare unit is
26 entitled to receive the disclosure document required under chapter
27 64.36 RCW;

28 (jj) If the common interest community is subject to any special
29 declarant rights, the information required under RCW 64.90.615;

30 (kk) Any liens on real estate to be conveyed to the association
31 required to be disclosed pursuant to RCW 64.90.650(3)(b);

32 (ll) A list of any physical hazards known to the declarant that
33 particularly affect the common interest community or the immediate
34 vicinity in which the common interest community is located and which
35 are not readily ascertainable by the purchaser;

36 (mm) Any building code violation of which the declarant has
37 actual knowledge and which has not been corrected;

38 (nn) If the common interest community contains one or more
39 conversion buildings, the information required under RCW 64.90.620
40 and 64.90.655(6)(a);

1 (oo) If the public offering statement is related to conveyance of
2 a unit in a multiunit residential building as defined in RCW
3 64.55.010, for which the final certificate of occupancy was issued
4 more than (~~sixty~~) 60 calendar months prior to the preparation of
5 the public offering statement either: A copy of a report prepared by
6 an independent, licensed architect or engineer or a statement by the
7 declarant based on such report that describes, to the extent
8 reasonably ascertainable, the present condition of all structural
9 components and mechanical and electrical installations of the
10 conversion buildings material to the use and enjoyment of the
11 conversion buildings;

12 (pp) Any other information and cross-references that the
13 declarant believes will be helpful in describing the common interest
14 community to the recipients of the public offering statement, all of
15 which may be included or not included at the option of the declarant;
16 (~~and~~)

17 (qq) A description of any age-related occupancy restrictions
18 affecting the common interest community; and

19 (rr) In a condominium, plat community, or miscellaneous community
20 containing a unit not having horizontal boundaries described in the
21 declaration, a statement whether the unit may be sold without consent
22 of all the unit owners after termination of the common interest
23 community under RCW 64.90.290.

24 (2) The public offering statement must begin with notices
25 substantially in the following forms and in conspicuous type:

26 (a) "RIGHT TO CANCEL. (1) You are entitled to receive a copy of
27 this public offering statement and all material amendments to this
28 public offering statement before conveyance of your unit. Under RCW
29 64.90.635, you have the right to cancel your contract for the
30 purchase of your unit within seven days after first receiving this
31 public offering statement. If this public offering statement is first
32 provided to you more than seven days before you sign your contract
33 for the purchase of your unit, you have no right to cancel your
34 contract. If this public offering statement is first provided to you
35 seven days or less before you sign your contract for the purchase of
36 your unit, you have the right to cancel, before conveyance of the
37 unit, the executed contract by delivering, no later than the seventh
38 day after first receiving this public offering statement, a notice of
39 cancellation pursuant to section (3) of this notice. If this public
40 offering statement is first provided to you less than seven days

1 before the closing date for the conveyance of your unit, you may,
2 before conveyance of your unit to you, extend the closing date to a
3 date not more than seven days after you first received this public
4 offering statement, so that you may have seven days to cancel your
5 contract for the purchase of your unit.

6 (2) You have no right to cancel your contract upon receipt of an
7 amendment to this public offering statement; however, this does not
8 eliminate any right to rescind your contract, due to the disclosure
9 of the information in the amendment, that is otherwise available to
10 you under generally applicable contract law.

11 (3) If you elect to cancel your contract pursuant to this notice,
12 you may do so by hand-delivering notice of cancellation, or by
13 mailing notice of cancellation by prepaid United States mail, to the
14 seller at the address set forth in this public offering statement or
15 at the address of the seller's registered agent for service of
16 process. The date of such notice is the date of receipt, if hand-
17 delivered, or the date of deposit in the United States mail, if
18 mailed. Cancellation is without penalty, and all payments made to the
19 seller by you before cancellation must be refunded promptly."

20 (b) "OTHER DOCUMENTS CREATING BINDING LEGAL OBLIGATIONS. This
21 public offering statement is a summary of some of the significant
22 aspects of purchasing a unit in this common interest community. The
23 governing documents and the purchase agreement are complex, contain
24 other important information, and create binding legal obligations.
25 You should consider seeking the assistance of legal counsel."

26 (c) "OTHER REPRESENTATIONS. You may not rely on any statement,
27 promise, model, depiction, or description unless it is (1) contained
28 in the public offering statement delivered to you or (2) made in
29 writing signed by the declarant or dealer or the declarant's or
30 dealer's agent identified in the public offering statement. A
31 statement of opinion, or a commendation of the real estate, its
32 quality, or its value, does not create a warranty, and a statement,
33 promise, model, depiction, or description does not create a warranty
34 if it discloses that it is only proposed, is not representative, or
35 is subject to change."

36 (d) "MODEL UNITS. Model units are intended to provide you with a
37 general idea of what a finished unit might look like. Units being
38 offered for sale may vary from the model unit in terms of floor plan,
39 fixtures, finishes, and equipment. You are advised to obtain specific
40 information about the unit you are considering purchasing."

1 (e) "RESERVE STUDY. The association [does] [does not] have a
2 current reserve study. Any reserve study should be reviewed
3 carefully. It may not include all reserve components that will
4 require major maintenance, repair, or replacement in future years,
5 and may not include regular contributions to a reserve account for
6 the cost of such maintenance, repair, or replacement. You may
7 encounter certain risks, including being required to pay as a special
8 assessment your share of expenses for the cost of major maintenance,
9 repair, or replacement of a reserve component, as a result of the
10 failure to: (1) Have a current reserve study or fully funded
11 reserves, (2) include a component in a reserve study, or (3) provide
12 any or sufficient contributions to a reserve account for a
13 component."

14 (f) "DEPOSITS AND PAYMENTS. Only earnest money and reservation
15 deposits are required to be placed in an escrow or trust account. Any
16 other payments you make to the seller of a unit are at risk and may
17 be lost if the seller defaults."

18 (g) "CONSTRUCTION DEFECT CLAIMS. Chapter 64.50 RCW contains
19 important requirements you must follow before you may file a lawsuit
20 for defective construction against the seller or builder of your
21 home. Forty-five days before you file your lawsuit, you must deliver
22 to the seller or builder a written notice of any construction
23 conditions you allege are defective and provide your seller or
24 builder the opportunity to make an offer to repair or pay for the
25 defects. You are not obligated to accept any offer made by the
26 builder or seller. There are strict deadlines and procedures under
27 state law, and failure to follow them may affect your ability to file
28 a lawsuit."

29 (h) "ASSOCIATION INSURANCE. The extent to which association
30 insurance provides coverage for the benefit of unit owners (including
31 furnishings, fixtures, and equipment in a unit) is determined by the
32 provisions of the declaration and the association's insurance policy,
33 which may be modified from time to time. You and your personal
34 insurance agent should read the declaration and the association's
35 policy prior to closing to determine what insurance is required of
36 the association and unit owners, unit owners' rights and duties, what
37 is and is not covered by the association's policy, and what
38 additional insurance you should obtain."

39 (i) "QUALIFIED WARRANTY. Your unit [is] [is not] covered by a
40 qualified warranty under chapter 64.35 RCW. "

1 (3) The public offering statement must include copies of each of
2 the following documents: The declaration; the map; the organizational
3 documents; the rules, if any; the current or proposed budget for the
4 association; a dated balance sheet of the association; any inspection
5 and repair report or reports prepared in accordance with the
6 requirements of RCW 64.55.090; and any qualified warranty provided to
7 a purchaser by a declarant together with a history of claims under
8 the qualified warranty. If any of these documents are not in final
9 form, the documents must be marked "draft" and, before closing the
10 sale of a unit, the purchaser must be given notice of any material
11 changes to the draft documents.

12 (4) A declarant must promptly amend the public offering statement
13 to reflect any material change in the information required under this
14 section.

15 **PART III**

16 **ADDITIONAL AMENDMENTS TO CHAPTER 64.90 RCW**

17 **Sec. 301.** RCW 64.90.010 and 2019 c 238 s 201 are each amended to
18 read as follows:

19 The definitions in this section apply throughout this chapter
20 unless the context clearly requires otherwise.

21 (1) "Affiliate of a declarant" means any person who controls, is
22 controlled by, or is under common control with a declarant. For
23 purposes of this subsection:

24 (a) A person controls a declarant if the person:

25 (i) Is a general partner, managing member, officer, director, or
26 employer of the declarant;

27 (ii) Directly or indirectly or acting in concert with one or more
28 other persons, or through one or more subsidiaries, owns, controls,
29 holds with power to vote, or holds proxies representing more than
30 (~~twenty~~) 20 percent of the voting interest in the declarant;

31 (iii) Controls in any manner the election or appointment of a
32 majority of the directors, managing members, or general partners of
33 the declarant; or

34 (iv) Has contributed more than (~~twenty~~) 20 percent of the
35 capital of the declarant.

36 (b) A person is controlled by a declarant if the declarant:

37 (i) Is a general partner, managing member, officer, director, or
38 employer of the person;

1 (ii) Directly or indirectly or acting in concert with one or more
2 other persons, or through one or more subsidiaries, owns, controls,
3 holds with power to vote, or holds proxies representing more than
4 (~~twenty~~) 20 percent of the voting interest in the person;

5 (iii) Controls in any manner the election or appointment of a
6 majority of the directors, managing members, or general partners of
7 the person; or

8 (iv) Has contributed more than (~~twenty~~)20 percent of the
9 capital of the person.

10 (c) Control does not exist if the powers described in this
11 subsection (1) are held solely as security for an obligation and are
12 not exercised.

13 (2) "Allocated interests" means the following interests allocated
14 to each unit:

15 (a) In a condominium, the undivided interest in the common
16 elements, the common expense liability, and votes in the association;

17 (b) In a cooperative, the common expense liability, the ownership
18 interest, and votes in the association; and

19 (c) In a plat community and miscellaneous community, the common
20 expense liability and the votes in the association, and also the
21 undivided interest in the common elements if owned in common by the
22 unit owners rather than an association.

23 (3) "Assessment" means all sums chargeable by the association
24 against a unit, including any assessments levied pursuant to RCW
25 64.90.480, fines or fees levied or imposed by the association
26 pursuant to this chapter or the governing documents, interest and
27 late charges on any delinquent account, and all costs of collection
28 incurred by the association in connection with the collection of a
29 delinquent owner's account, including reasonable attorneys' fees.

30 (4) "Association" or "unit owners association" means the unit
31 owners association organized under RCW 64.90.400 and, to the extent
32 necessary to construe sections of this chapter made applicable to
33 common interest communities pursuant to RCW 64.90.080 (as recodified
34 by this act), 64.90.090, or 64.90.095 (as recodified by this act),
35 the association organized or created to administer such common
36 interest communities.

37 (5) "Ballot" means a record designed to cast or register a vote
38 or consent in a form provided or accepted by the association.

1 (6) "Board" means the body, regardless of name, designated in the
2 declaration, map, or organizational documents, with primary authority
3 to manage the affairs of the association.

4 (7) "Common elements" means:

5 (a) In a condominium or cooperative, all portions of the common
6 interest community other than the units;

7 (b) In a plat community or miscellaneous community, any real
8 estate other than a unit within a plat community or miscellaneous
9 community that is owned or leased either by the association or in
10 common by the unit owners rather than an association; and

11 (c) In all common interest communities, any other interests in
12 real estate for the benefit of any unit owners that are subject to
13 the declaration.

14 (8) "Common expense" means any expense of the association,
15 including allocations to reserves, allocated to all of the unit
16 owners in accordance with common expense liability.

17 (9) "Common expense liability" means the liability for common
18 expenses allocated to each unit pursuant to RCW 64.90.235.

19 (10) "Common interest community" means real estate described in a
20 declaration with respect to which a person, by virtue of the person's
21 ownership of a unit, is obligated to pay for a share of real estate
22 taxes, insurance premiums, maintenance, or improvement of, or
23 services or other expenses related to, common elements, other units,
24 or other real estate described in the declaration. "Common interest
25 community" does not include an arrangement described in RCW 64.90.110
26 or 64.90.115. A common interest community may be a part of another
27 common interest community.

28 (11) "Condominium" means a common interest community in which
29 portions of the real estate are designated for separate ownership and
30 the remainder of the real estate is designated for common ownership
31 solely by the owners of those portions. A common interest community
32 is not a condominium unless the undivided interests in the common
33 elements are vested in the unit owners.

34 (12) "Condominium notice" means the notice given to tenants
35 pursuant to subsection (13)(c) of this section.

36 (13)(a) "Conversion building" means a building:

37 (i) That at any time before creation of the common interest
38 community was lawfully occupied wholly or partially by a tenant or
39 subtenant for residential purposes pursuant to a rental agreement,
40 oral or written, express or implied, who did not receive a

1 condominium notice prior to entering into the rental agreement or
2 lawfully taking occupancy, whichever event occurred first; or

3 (ii) That at any time within the (~~twelve~~) 12 months preceding
4 the first acceptance of an agreement with the declarant to convey, or
5 the first conveyance of, any unit in the building, whichever event
6 occurred first, to any person who was not a declarant or dealer, or
7 affiliate of a declarant or dealer, was lawfully occupied wholly or
8 partially by a tenant or subtenant for residential purposes pursuant
9 to a rental agreement, oral or written, express or implied, who did
10 not receive a condominium notice prior to entering into the rental
11 agreement or lawfully taking occupancy, whichever event occurred
12 first.

13 (b) A building in a common interest community is a conversion
14 building only if:

15 (i) The building contains more than two attached dwelling units
16 as defined in RCW 64.55.010(1); and

17 (ii) Acceptance of an agreement to convey, or conveyance of, any
18 unit in the building to any person who was not a declarant or dealer,
19 or affiliate of a declarant or dealer, did not occur prior to July 1,
20 2018.

21 (c) The notice referred to in (a)(i) and (ii) of this subsection
22 must be in writing and must state: "The unit you will be occupying
23 is, or may become, part of a common interest community and subject to
24 sale."

25 (14) "Convey" or "conveyance" means, with respect to a unit, any
26 transfer of ownership of the unit, including a transfer by deed or by
27 real estate contract and, with respect to a unit in a leasehold
28 common interest community or a proprietary lease in a cooperative, a
29 transfer by lease or assignment of the unit, but does not include the
30 creation, transfer, or release of a security interest.

31 (15) "Cooperative" means a common interest community in which the
32 real estate is owned by an association, each member of which is
33 entitled by virtue of the member's ownership interest in the
34 association and by a proprietary lease to exclusive possession of a
35 unit.

36 (16) "Dealer" means a person who, together with such person's
37 affiliates, owns or has a right to acquire either six or more units
38 in a common interest community or (~~fifty~~) 50 percent or more of the
39 units in a common interest community containing more than two units.

40 (17) "Declarant" means:

- 1 (a) Any person who executes as declarant a declaration;
- 2 (b) Any person who reserves or succeeds to any special declarant
3 right in a declaration;
- 4 (c) Any person who exercises special declarant rights or to whom
5 special declarant rights are transferred of record. The holding or
6 exercise of rights to maintain sales offices, signs advertising the
7 common interest community, and models, and related right of access,
8 does not confer the status of being a declarant; or
- 9 (d) Any person who is the owner of a fee interest in the real
10 estate that is subjected to the declaration at the time of the
11 recording of an instrument pursuant to RCW 64.90.425 and who directly
12 or through one or more affiliates is materially involved in the
13 construction, marketing, or sale of units in the common interest
14 community created by the recording of the instrument.
- 15 (18) "Declarant control" means the right of the declarant or
16 persons designated by the declarant to appoint or remove any officer
17 or board member of the association or to veto or approve a proposed
18 action of any board or association, pursuant to RCW 64.90.415(1) (a).
- 19 (19) "Declaration" means the instrument, however denominated,
20 that creates a common interest community, including any amendments to
21 the instrument.
- 22 (20) "Development rights" means any right or combination of
23 rights reserved by a declarant in the declaration to:
- 24 (a) Add real estate or improvements to a common interest
25 community;
- 26 (b) Create units, common elements, or limited common elements
27 within a common interest community;
- 28 (c) Subdivide or combine units or convert units into common
29 elements;
- 30 (d) Withdraw real estate from a common interest community; or
- 31 (e) Reallocate limited common elements with respect to units that
32 have not been conveyed by the declarant.
- 33 (21) "Effective age" means the difference between the useful life
34 and remaining useful life.
- 35 (22) "Electronic" means relating to technology having electrical,
36 digital, magnetic, wireless, optical, electromagnetic, or similar
37 capabilities.
- 38 (23) "Electronic transmission" or "electronically transmitted"
39 means any electronic communication (a) not directly involving the
40 physical transfer of a record in a tangible medium and (b) that may

1 be retained, retrieved, and reviewed by the sender and the recipient
2 of the communication, and that may be directly reproduced in a
3 tangible medium by a sender and recipient.

4 ~~((23))~~ (24) "Eligible mortgagee" means the holder of a security
5 interest on a unit that has filed with the secretary of the
6 association a written request that it be given copies of notices of
7 any action by the association that requires the consent of
8 mortgagees.

9 ~~((24))~~ (25) "Foreclosure" means a statutory forfeiture or a
10 judicial or nonjudicial foreclosure of a security interest or a deed
11 or other conveyance in lieu of a security interest.

12 ~~((25))~~ (26) "Full funding plan" means a reserve funding goal of
13 achieving ~~((one hundred))~~ 100 percent fully funded reserves by the
14 end of the ~~((thirty))~~ 30-year study period described under RCW
15 64.90.550, in which the reserve account balance equals the sum of the
16 estimated costs required to maintain, repair, or replace the
17 deteriorated portions of all reserve components.

18 ~~((26))~~ (27) "Fully funded balance" means the current value of
19 the deteriorated portion, not the total replacement value, of all the
20 reserve components. The fully funded balance for each reserve
21 component is calculated by multiplying the current replacement cost
22 of that reserve component by its effective age, then dividing the
23 result by that reserve component's useful life. The sum total of all
24 reserve components' fully funded balances is the association's fully
25 funded balance.

26 ~~((27))~~ (28) "Governing documents" means the organizational
27 documents, map, declaration, rules, or other written instrument by
28 which the association has the authority to exercise any of the powers
29 provided for in this chapter or to manage, maintain, or otherwise
30 affect the property under its jurisdiction.

31 ~~((28))~~ (29) "Identifying number" means a symbol or address that
32 identifies only one unit or limited common element in a common
33 interest community.

34 ~~((29))~~ (30) "Leasehold common interest community" means a
35 common interest community in which all or a portion of the real
36 estate is subject to a lease the expiration or termination of which
37 will terminate the common interest community or reduce its size.

38 ~~((30))~~ (31) "Limited common element" means a portion of the
39 common elements allocated by the declaration or by operation of RCW

1 64.90.210 (1)(b) or (3) for the exclusive use of one or more, but
2 fewer than all, of the unit owners.

3 ~~((31))~~ (32) "Map" means: (a) With respect to a plat community,
4 the plat as defined in RCW 58.17.020 and complying with the
5 requirements of Title 58 RCW, and (b) with respect to a condominium,
6 cooperative, or miscellaneous community, a map prepared in accordance
7 with the requirements of RCW 64.90.245.

8 ~~((32))~~ (33) "Master association" means ~~((an organization
9 described in RCW 64.90.300, whether or not it is also an association
10 described in RCW 64.90.400))~~:

11 (a) A unit owners association that serves more than one common
12 interest community; or

13 (b) An organization that holds a power delegated under RCW
14 64.90.300(1)(a).

15 ~~((33))~~ (34) "Miscellaneous community" means a common interest
16 community in which units are lawfully created in a manner not
17 inconsistent with chapter 58.17 RCW and that is not a condominium,
18 cooperative, or plat community.

19 ~~((34))~~ (35) "Nominal reserve costs" means that the current
20 estimated total replacement costs of the reserve components are less
21 than ~~((fifty))~~ 50 percent of the annual budgeted expenses of the
22 association, excluding contributions to the reserve fund, for a
23 condominium or cooperative containing horizontal unit boundaries, and
24 less than ~~((seventy-five))~~ 75 percent of the annual budgeted expenses
25 of the association, excluding contributions to the reserve fund, for
26 all other common interest communities.

27 ~~((35))~~ (36) "Organizational documents" means the instruments
28 filed with the secretary of state to create an entity and the
29 instruments governing the internal affairs of the entity including,
30 but not limited to, any articles of incorporation, certificate of
31 formation, bylaws, and limited liability company or partnership
32 agreement.

33 ~~((36))~~ (37) "Person" means an individual, corporation, business
34 trust, estate, the trustee or beneficiary of a trust that is not a
35 business trust, partnership, limited liability company, association,
36 joint venture, public corporation, government, or governmental
37 subdivision, agency, or instrumentality, or any other legal entity.

38 ~~((37))~~ (38) "Plat community" means a common interest community
39 in which units have been created by subdivision or short subdivision

1 as both are defined in RCW 58.17.020 and in which the boundaries of
2 units are established pursuant to chapter 58.17 RCW.

3 ~~((38))~~ (39) "Proprietary lease" means a written and recordable
4 lease that is executed and acknowledged by the association as lessor
5 and that otherwise complies with requirements applicable to a
6 residential lease of more than one year and pursuant to which a
7 member is entitled to exclusive possession of a unit in a
8 cooperative. A proprietary lease governed under this chapter is not
9 subject to chapter 59.18 RCW except as provided in the declaration.

10 ~~((39))~~ (40) "Purchaser" means a person, other than a declarant
11 or a dealer, which by means of a voluntary transfer acquires a legal
12 or equitable interest in a unit other than as security for an
13 obligation.

14 ~~((40))~~ (41) "Qualified financial institution" means a bank,
15 savings association, or credit union whose deposits are insured by
16 the federal government.

17 ~~((41))~~ (42) "Real estate" means any leasehold or other estate
18 or interest in, over, or under land, including structures, fixtures,
19 and other improvements and interests that by custom, usage, or law
20 pass with a conveyance of land though not described in the contract
21 of sale or instrument of conveyance. "Real estate" includes parcels
22 with or without upper or lower boundaries and spaces that may be
23 filled with air or water.

24 ~~((42))~~ (43) "Real estate contract" has the same meaning as
25 defined in RCW 61.30.010.

26 ~~((43))~~ (44) "Record," when used as a noun, means information
27 inscribed on a tangible medium or contained in an electronic
28 transmission.

29 ~~((44))~~ (45) "Remaining useful life" means the estimated time,
30 in years, before a reserve component will require major maintenance,
31 repair, or replacement to perform its intended function.

32 ~~((45))~~ (46) "Replacement cost" means the estimated total cost
33 to maintain, repair, or replace a reserve component to its original
34 functional condition.

35 ~~((46))~~ (47) "Reserve component" means a physical component of
36 the common interest community which the association is obligated to
37 maintain, repair, or replace, which has an estimated useful life of
38 less than ~~((thirty))~~ 30 years, and for which the cost of such
39 maintenance, repair, or replacement is infrequent, significant, and
40 impractical to include in an annual budget.

1 ~~((47))~~ (48) "Reserve study professional" means an independent
2 person who is suitably qualified by knowledge, skill, experience,
3 training, or education to prepare a reserve study in accordance with
4 RCW 64.90.545 and 64.90.550. For the purposes of this subsection,
5 "independent" means a person who is not an employee, officer, or
6 director, and has no pecuniary interest in the declarant,
7 association, or any other party for whom the reserve study is
8 prepared.

9 ~~((48))~~ (49) "Residential purposes" means use for dwelling or
10 recreational purposes, or both.

11 ~~((49))~~ (50) "Rule" means a policy, guideline, restriction,
12 procedure, or regulation of an association, however denominated, that
13 is not set forth in the declaration or organizational documents (~~and~~
14 ~~governs the conduct of persons or the use or appearance of~~
15 ~~property~~)).

16 ~~((50))~~ (51) "Security interest" means an interest in real
17 estate or personal property, created by contract or conveyance that
18 secures payment or performance of an obligation. "Security interest"
19 includes a lien created by a mortgage, deed of trust, real estate
20 contract, lease intended as security, assignment of lease or rents
21 intended as security, pledge of an ownership interest in an
22 association, and any other consensual lien or title retention
23 contract intended as security for an obligation.

24 ~~((51))~~ (52) "Special declarant rights" means rights reserved
25 for the benefit of a declarant to:

26 (a) Complete any improvements the declarant is not obligated to
27 make that are indicated on the map or described in the declaration or
28 the public offering statement (~~pursuant to RCW 64.90.610(1)(h)~~);

29 (b) Exercise any development right, pursuant to RCW 64.90.250;

30 (c) Maintain sales offices, management offices, signs advertising
31 the common interest community, and models, pursuant to RCW 64.90.275;

32 (d) Use easements through the common elements for the purpose of
33 making improvements within the common interest community or within
34 real estate that may be added to the common interest community,
35 pursuant to RCW 64.90.280;

36 (e) Make the common interest community subject to a master
37 association, pursuant to RCW 64.90.300;

38 (f) Merge or consolidate a common interest community with another
39 common interest community of the same form of ownership, pursuant to
40 RCW 64.90.310;

1 (g) Appoint or remove any officer or board member of the
2 association or any master association or to veto or approve a
3 proposed action of any board or association, pursuant to RCW
4 64.90.415(1);

5 (h) Control any construction, design review, or aesthetic
6 standards committee or process, pursuant to RCW 64.90.505(3);

7 (i) Attend meetings of the unit owners and, except during an
8 executive session, the board, pursuant to RCW 64.90.445;

9 (j) Have access to the records of the association to the same
10 extent as a unit owner, pursuant to RCW 64.90.495.

11 ~~((52))~~ (53) "Specially allocated expense" means any expense of
12 the association, including allocations to reserves, allocated ~~((to~~
13 ~~some or all of the unit owners))~~ on a basis other than the common
14 expense liability pursuant to RCW 64.90.480 ~~((4) through (8))~~.

15 ~~((53))~~ (54) "Survey" has the same meaning as defined in RCW
16 58.09.020.

17 ~~((54))~~ (55) "Tangible medium" means a writing, copy of a
18 writing, facsimile, or a physical reproduction, each on paper or on
19 other tangible material.

20 ~~((55))~~ (56) "Timeshare" has the same meaning as defined in RCW
21 64.36.010.

22 ~~((56))~~ (57) "Transition meeting" means the meeting held
23 pursuant to RCW 64.90.415(4).

24 ~~((57))~~ (58)(a) "Unit" means a physical portion of the common
25 interest community designated for separate ownership or occupancy,
26 the boundaries of which are described pursuant to RCW
27 64.90.225(1)(d).

28 (b) If a unit in a cooperative is owned by a unit owner or is
29 sold, conveyed, voluntarily or involuntarily encumbered, or otherwise
30 transferred by a unit owner, the interest in that unit that is owned,
31 sold, conveyed, encumbered, or otherwise transferred is the right to
32 possession of that unit under a proprietary lease, coupled with the
33 allocated interests of that unit, and the association's interest in
34 that unit is not affected.

35 (c) Except as provided in the declaration, a mobile home or
36 manufactured home for which title has been eliminated pursuant to
37 chapter 65.20 RCW is part of the unit described in the title
38 elimination documents.

39 ~~((58))~~ (59)(a) "Unit owner" means (i) a declarant or other
40 person that owns a unit or (ii) a lessee of a unit in a leasehold

1 common interest community whose lease expires simultaneously with any
2 lease the expiration or termination of which will remove the unit
3 from the common interest community, but does not include a person
4 having an interest in a unit solely as security for an obligation.

5 (b) "Unit owner" also means the vendee, not the vendor, of a unit
6 under a recorded real estate contract.

7 (c) In a condominium, plat community, or miscellaneous community,
8 the declarant is the unit owner of any unit created by the
9 declaration. In a cooperative, the declarant is treated as the unit
10 owner of any unit to which allocated interests have been allocated
11 until that unit has been conveyed to another person.

12 (~~(59)~~) (60) "Useful life" means the estimated time during which
13 a reserve component is expected to perform its intended function
14 without major maintenance, repair, or replacement.

15 (~~(60)~~) (61) "Writing" does not include an electronic
16 transmission.

17 (~~(61)~~) (62) "Written" means embodied in a tangible medium.

18 **Sec. 302.** RCW 64.90.065 and 2018 c 277 s 114 are each amended to
19 read as follows:

20 (1) From time to time the dollar amount specified in RCW
21 64.90.075(4) (as recodified by this act) and 64.90.640(2) must
22 change, as provided in subsections (2) and (3) of this section,
23 according to and to the extent of changes in the consumer price index
24 for urban wage earners and clerical workers: (~~U.S.~~) United States
25 city average, all items 1967 = 100, compiled by the bureau of labor
26 statistics, United States department of labor, (the "index"). The
27 index for December 1979, which was 230, is the reference base index.

28 (2) The dollar amounts specified in RCW 64.90.075(4) (as
29 recodified by this act) and 64.90.640(2) and any amount stated in the
30 declaration pursuant to RCW 64.90.075(4) (as recodified by this act)
31 and 64.90.640(2) must change on July 1st of each year if the
32 percentage of change, calculated to the nearest whole percentage
33 point, between the index at the end of the preceding year and the
34 reference base index, is (~~ten~~) 10 percent or more, but: (a) The
35 portion of the percentage change in the index in excess of a multiple
36 of (~~ten~~) 10 percent must be disregarded and the dollar amount may
37 only change in multiples of (~~ten~~) 10 percent of the amount
38 appearing in this chapter on July 1, 2018; (b) the dollar amount must
39 not change if the amount required under this section is that

1 currently in effect pursuant to this chapter as a result of earlier
2 application of this section; and (c) the dollar amount must not be
3 reduced below the amount appearing in this chapter on July 1, 2018.

4 (3) If the index is revised after December 1979, the percentage
5 of change pursuant to this section must be calculated on the basis of
6 the revised index. If the revision of the index changes the reference
7 base index, a revised reference base index must be determined by
8 multiplying the reference base index then applicable by the rebasing
9 factor furnished by the bureau of labor statistics. If the index is
10 superseded, the index referred to in this section is the one
11 represented by the bureau of labor statistics as reflecting most
12 accurately the changes in the purchasing power of the dollar for
13 consumers.

14 NEW SECTION. **Sec. 303.** A new section is added to chapter 64.90
15 RCW to read as follows:

16 (1) Except as provided in subsection (2) of this section, the
17 governing documents may not vary a provision of this chapter that
18 gives a right to or imposes an obligation or liability on a unit
19 owner, declarant, association, or board.

20 (2) The governing documents may vary the following provisions as
21 provided in the provision:

22 (a) RCW 64.90.020(1), concerning classification of a cooperative
23 unit as real estate or personal property;

24 (b) RCW 64.90.030 (2) and (3), concerning reallocation of
25 allocated interests and allocation of proceeds after a taking by
26 eminent domain;

27 (c) RCW 64.90.075(4) (as recodified by this act), 64.90.095 (as
28 recodified by this act), and 64.90.100, concerning elections
29 regarding applicability of this chapter;

30 (d) RCW 64.90.210, concerning boundaries between units and common
31 elements;

32 (e) RCW 64.90.240 (2) and (3), concerning reallocation of limited
33 common elements;

34 (f) RCW 64.90.245(11), concerning horizontal boundaries of units;

35 (g) RCW 64.90.255, concerning alterations of units and common
36 elements made by unit owners;

37 (h) RCW 64.90.260 (1) and (2), concerning relocation of
38 boundaries between units;

1 (i) RCW 64.90.265 (1) and (2), concerning subdivision and
2 combination of units;

3 (j) RCW 64.90.275, concerning sales offices, management offices,
4 models, and signs maintained by a declarant;

5 (k) RCW 64.90.280 (1) and (3), concerning easements through, and
6 rights to use, common elements;

7 (l) RCW 64.90.285 (1), (6), and (9), concerning the percentage of
8 votes and consents required to amend the declaration;

9 (m) RCW 64.90.290 (1) and (8), concerning the percentage of votes
10 required to terminate a common interest community and priority of
11 creditors of a cooperative;

12 (n) RCW 64.90.405 (2)(p), (4)(c), and (5)(c), concerning an
13 association's assignment of rights to future income, the number of
14 votes required to reject a proposal to borrow funds, and the right to
15 terminate a lease or evict a tenant;

16 (o) RCW 64.90.410 (1) and (2), concerning the board acting on
17 behalf of the association and the election of officers by the board;

18 (p) RCW 64.90.440 (1) and (4), concerning responsibility for
19 maintenance, repair, and replacement of units and common elements and
20 treatment of income or proceeds from real estate subject to
21 development rights;

22 (q) RCW 64.90.445, concerning meetings;

23 (r) RCW 64.90.450, concerning quorum requirements for meetings;

24 (s) RCW 64.90.455, concerning unit owner voting;

25 (t) RCW 64.90.465 (1), (2), and (7), concerning the percentage of
26 votes required to convey or encumber common elements and the effect
27 of conveyance or encumbrance of common elements;

28 (u) RCW 64.90.470, concerning insurance for a nonresidential
29 common interest community;

30 (v) RCW 64.90.475(2), concerning payment of surplus funds of the
31 association;

32 (w) RCW 64.90.485 (7) and (20), concerning priority and
33 foreclosure of liens held by two or more associations and additional
34 remedies for collection of assessments as permitted by law;

35 (x) RCW 64.90.520(4), concerning the board's ability to remove an
36 officer elected by the board;

37 (y) RCW 64.90.545(2), concerning applicability of reserve study
38 requirements to certain types of common interest communities; and

39 (z) RCW 64.90.525(1), concerning the percentage of votes required
40 to reject a budget.

1 **Sec. 304.** RCW 64.90.100 and 2018 c 277 s 121 are each amended to
2 read as follows:

3 (1) A plat community, miscellaneous community, or cooperative in
4 which all the units are restricted exclusively to nonresidential use
5 is not subject to this chapter except to the extent the declaration
6 provides that:

7 (a) This entire chapter applies to the community;

8 (b) RCW 64.90.010 through 64.90.325 and 64.90.900 apply to the
9 community; or

10 (c) Only RCW 64.90.020, 64.90.025, and 64.90.030 apply to the
11 community.

12 (2) A condominium in which all the units are restricted
13 exclusively to nonresidential use is subject to this chapter, but the
14 declaration may provide that only RCW 64.90.010 through (~~64.90.330~~)
15 64.90.325 and 64.90.900 apply to the community.

16 (3) If this entire chapter applies to a common interest community
17 in which all the units are restricted exclusively to nonresidential
18 use, the declaration may also require, subject to RCW 64.90.050,
19 that:

20 (a) Any management, maintenance, operations, or employment
21 contract, lease of recreational or parking areas or facilities, and
22 any other contract or lease between the association and a declarant
23 or an affiliate of a declarant continues in force after the declarant
24 turns over control of the association; and

25 (b) Purchasers of units must execute proxies, powers of attorney,
26 or similar devices in favor of the declarant regarding particular
27 matters enumerated in those instruments.

28 (4) A common interest community that contains both units
29 restricted to nonresidential purposes and units that may be used for
30 residential purposes is not subject to this chapter unless the units
31 that may be used for residential purposes would comprise a common
32 interest community subject to this chapter in the absence of such
33 nonresidential units or the declaration provides that this chapter
34 applies as provided in subsection (2) or (3) of this section.

35 **Sec. 305.** RCW 64.90.225 and 2019 c 238 s 206 are each amended to
36 read as follows:

37 (1) The declaration must contain:

38 (a) The names of the common interest community and the
39 association and, immediately following the initial recital of the

1 name of the community, a statement that the common interest community
2 is a condominium, cooperative, plat community, or miscellaneous
3 community;

4 (b) A legal description of the real estate included in the common
5 interest community;

6 (c) A statement of the number of units that the declarant has
7 created and, if the declarant has reserved the right to create
8 additional units, the maximum number of such additional units;

9 (d) In all common interest communities, a reference to the
10 recorded map creating the units and common elements, if any, subject
11 to the declaration, and in a common interest community other than a
12 plat community, the identifying number of each unit created by the
13 declaration, a description of the boundaries of each unit if and to
14 the extent they are different from the boundaries stated in RCW
15 64.90.210(1)(a), and with respect to each existing unit, and if known
16 at the time the declaration is recorded, the (i) approximate square
17 footage, (ii) number of whole or partial bathrooms, (iii) number of
18 rooms designated primarily as bedrooms, and (iv) level or levels on
19 which each unit is located. The data described in this subsection
20 (1)(d)(ii) and (iii) may be omitted with respect to units restricted
21 to nonresidential use;

22 (e) A description of any limited common elements, other than
23 those specified in RCW 64.90.210 (1)(b) and (3);

24 (f) A description of any real estate, except real estate subject
25 to development rights, that may be allocated subsequently by the
26 declarant as limited common elements, other than limited common
27 elements specified in RCW 64.90.210 (1)(b) and (3), together with a
28 statement that they may be so allocated;

29 (g) A description of any development right and any other special
30 declarant rights reserved by the declarant, (~~and, if the boundaries~~
31 ~~of the real estate subject to those rights are fixed in the~~
32 ~~declaration pursuant to (h)(i) of this subsection, a description of~~
33 ~~the real property affected by those rights, and)) a time limit within
34 which each of those rights must be exercised, and a legal description
35 of the real property to which each development right applies;~~

36 (h) If any development right may be exercised with respect to
37 different parcels of real estate at different times, a statement to
38 that effect together with:

39 (i) Either a statement fixing the boundaries of those portions
40 and regulating the order in which those portions may be subjected to

1 the exercise of each development right or a statement that no
2 assurances are made in those regards; and

3 (ii) A statement as to whether, if any development right is
4 exercised in any portion of the real estate subject to that
5 development right, that development right must be exercised in all or
6 in any other portion of the remainder of that real estate;

7 (i) Any other conditions or limitations under which the rights
8 described in (g) of this subsection may be exercised or will lapse;

9 (j) An allocation to each unit of the allocated interests in the
10 manner described in RCW 64.90.235;

11 (k) Any restrictions on alienation of the units, including any
12 restrictions on leasing that exceed the restrictions on leasing units
13 that boards may impose pursuant to RCW 64.90.510(~~((+9))~~) (10)(c) and
14 on the amount for which a unit may be sold or on the amount that may
15 be received by a unit owner on sale, condemnation, or casualty loss
16 to the unit or to the common interest community, or on termination of
17 the common interest community;

18 (l) A cross-reference by recording number to the map for the
19 units created by the declaration;

20 (m) Any authorization pursuant to which the association may
21 establish and enforce construction and design criteria and aesthetic
22 standards as provided in RCW 64.90.505;

23 (n) All matters required under RCW 64.90.230, 64.90.235,
24 64.90.240, 64.90.275, 64.90.280, and 64.90.410;

25 (o) A statement on the first page of the declaration whether the
26 common interest community is subject to this chapter.

27 (2) All amendments to the declaration must contain a cross-
28 reference by recording number to the declaration and to any prior
29 amendments to the declaration. All amendments to the declaration
30 adding units must contain a cross-reference by recording number to
31 the map relating to the added units and set forth all information
32 required under subsection (1) of this section with respect to the
33 added units.

34 (3) The declaration may contain any other matters the declarant
35 considers appropriate, including any restrictions on the uses of a
36 unit or the number or other qualifications of persons who may occupy
37 units.

38 **Sec. 306.** RCW 64.90.240 and 2018 c 277 s 209 are each amended to
39 read as follows:

1 (1) (a) Except for the limited common elements described in RCW
2 64.90.210 (1) (b) and (3), the declaration must specify to which unit
3 or units each limited common element is allocated.

4 (b) An allocation of a limited common element may not be altered
5 without the consent of the owners of the units from which and to
6 which the limited common element is allocated.

7 (2) (a) Except in the case of a reallocation being made by a
8 declarant pursuant to a development right reserved in the
9 declaration, a limited common element may be reallocated between
10 units only with the approval of the board and by an amendment to the
11 declaration executed by the unit owners between or among whose units
12 the reallocation is made.

13 (b) The board must approve the request of the unit owner or
14 owners under this subsection (2) within ~~((thirty))~~ 30 days, or within
15 such other period provided by the declaration, unless the proposed
16 reallocation does not comply with this chapter or the declaration.
17 The failure of the board to act upon a request within such period is
18 deemed an approval of the request.

19 (c) ~~The ((amendment must be executed and recorded by the~~
20 ~~association and be recorded in the name of the common interest~~
21 ~~community)) unit owners executing the amendment shall provide a copy~~
22 ~~of the amendment to the association, and the association shall record~~
23 ~~the amendment in accordance with the requirements of subsection (4)~~
24 ~~of this section.~~

25 (3) ~~((Unless provided otherwise in the declaration, the unit~~
26 ~~owners of units to which at least sixty-seven percent of the votes~~
27 ~~are allocated, including the unit owner of the unit to which the~~
28 ~~common element or limited common element will be assigned or~~
29 ~~incorporated, must agree to reallocate a common element as a limited~~
30 ~~common element or to incorporate a common element or a limited common~~
31 ~~element into an existing unit. Such reallocation or incorporation~~
32 ~~must be reflected in an amendment to the declaration and the map.))~~

33 (a) A common element not previously allocated as a limited common
34 element may be so allocated only by an amendment to the declaration.
35 A unit owner may request the board to amend the declaration to
36 allocate all or part of a common element as a limited common element
37 for the exclusive use of the owner's unit. The board may prescribe in
38 the amendment a condition or obligation, including an obligation to
39 maintain the new limited common element or pay a fee or charge to the
40 association.

1 (b) If the board approves the amendment, the board shall give
2 notice to all unit owners of its action and include a statement that
3 unit owners may object in a record to the amendment not later than 30
4 days after delivery of the notice. The amendment becomes effective if
5 the board does not receive a timely objection.

6 (c) If the board receives a timely objection, the amendment
7 becomes effective only if the unit owners of units to which at least
8 67 percent of the votes are allocated, including at least 67 percent
9 of the votes that are allocated to units not owned by the declarant,
10 vote under RCW 64.90.455, whether or not a quorum is present, to
11 approve the amendment.

12 (d) If the amendment becomes effective, the association and the
13 owner of the benefited unit shall execute the amendment.

14 (4) The association shall record the amendment as provided in RCW
15 64.90.285. If the amendment changes information shown in a map
16 concerning a common element or limited common element other than a
17 common wall between units, the association shall prepare and record a
18 revised map.

19 **Sec. 307.** RCW 64.90.260 and 2018 c 277 s 213 are each amended to
20 read as follows:

21 (1) Subject to the provisions of the declaration, RCW 64.90.255,
22 and other provisions of law, the boundaries between adjoining units
23 may be relocated upon application to the board by the unit owners of
24 those units and upon approval by the board pursuant to this section.
25 The application must include plans showing the relocated boundaries
26 and such other information as the board may require. If the unit
27 owners of the adjoining units have specified a reallocation between
28 their units of their allocated interests, the application must state
29 the proposed reallocations. Unless the board determines, after
30 receipt of all required information, that the reallocations are
31 unreasonable or that the proposed boundary relocation does not comply
32 with the declaration, RCW 64.90.255, or other provisions of law, the
33 board must approve the application and prepare any amendments to the
34 declaration and map in accordance with the requirements of subsection
35 (3) of this section.

36 ~~(2) (a) ((Subject to the provisions of the declaration and other~~
37 ~~provisions of law, boundaries between units and common elements may~~
38 ~~be relocated to incorporate common elements within a unit by an~~
39 ~~amendment to the declaration upon application to the association by~~

1 ~~the unit owner of the unit who proposes to relocate a boundary. The~~
2 ~~amendment may be approved only if the unit owner of the unit, the~~
3 ~~boundary of which is being relocated, and, unless the declaration~~
4 ~~provides otherwise, persons entitled to cast at least sixty-seven~~
5 ~~percent of the votes in the association, including sixty-seven~~
6 ~~percent of the votes allocated to units not owned by the declarant,~~
7 ~~agree.~~

8 ~~(b) The association may require payment to the association of a~~
9 ~~one-time fee or charge or continuing fees or charges payable by the~~
10 ~~unit owners of the units whose boundaries are being relocated to~~
11 ~~include common elements)) The boundary of a unit may be relocated~~
12 ~~only by an amendment to the declaration. A unit owner may request the~~
13 ~~board to amend the declaration to include all or part of a common~~
14 ~~element within the unit owner's unit. The board may prescribe in the~~
15 ~~amendment a fee or charge payable by the unit owner to the~~
16 ~~association in connection with the relocation.~~

17 (b) The board may approve the amendment only if the unit owners
18 of units to which at least 67 percent of the votes are allocated,
19 including at least 67 percent of the votes that are allocated to
20 units not owned by the declarant, vote under RCW 64.90.455, whether
21 or not a quorum is present, to approve the amendment.

22 ~~(3) ((a)) The association ((must prepare any)) and the owners of~~
23 ~~the units whose boundaries are relocated must execute an amendment~~
24 ~~((to the declaration in accordance with the requirements of RCW~~
25 ~~64.90.225 and any amendment to the map in accordance with the~~
26 ~~requirements of RCW 64.90.245)) under this section. The amendment~~
27 ~~must contain words of conveyance between the parties. The association~~
28 ~~shall record the amendment as provided in RCW 64.90.285. The~~
29 ~~association:~~

30 (a) In a condominium, plat community, or miscellaneous community
31 shall prepare and record an amendment to the map necessary to show
32 ((or describe)) the altered boundaries of affected units and their
33 dimensions and identifying numbers; and

34 (b) In a cooperative shall prepare and record amendments to the
35 declaration, including any amendment to the map necessary to show or
36 describe the altered boundaries of affected units, and their
37 dimensions and identifying numbers.

38 ~~((b) The amendment to the declaration must be executed by the~~
39 ~~unit owner of the unit, the boundaries of which are being relocated,~~
40 ~~and by the association, contain words of conveyance between them, and~~

1 be recorded in the names of the unit owner or owners and the
2 association, as grantor or grantee, as appropriate and as required
3 under RCW 64.90.285(3). The amendments are effective upon
4 recording.)

5 (4) All costs, including reasonable attorneys' fees, incurred by
6 the association for preparing and recording amendments to the
7 declaration and map under this section must be assessed to the unit,
8 the boundaries of which are being relocated.

9 NEW SECTION. Sec. 308. A new section is added to chapter 64.90
10 RCW to read as follows:

11 (1) Except as provided in subsection (2) of this section, if the
12 construction, reconstruction, or alteration of a building or the
13 vertical or lateral movement of a building results in an encroachment
14 due to a divergence between the existing physical boundaries of a
15 unit and the boundaries described in the declaration under RCW
16 64.90.225(1)(d), the existing physical boundaries of the unit are its
17 legal boundaries, rather than the boundaries described in the
18 declaration.

19 (2) Subsection (1) of this section does not apply if the
20 encroachment:

21 (a) Extends beyond five feet, as measured from any point on the
22 common boundary along a line perpendicular to the boundary; or

23 (b) Results from willful misconduct of the unit owner that claims
24 a benefit under subsection (1) of this section.

25 (3) This section does not relieve a declarant or other person of
26 liability for failure to adhere to the map or a representation in the
27 public offering statement.

28 **Sec. 309.** RCW 64.90.285 and 2019 c 238 s 208 are each amended to
29 read as follows:

30 (1)(a) Except in cases of amendments that may be executed by: A
31 declarant under subsection ~~((10))~~ (9) of this section, RCW
32 64.90.240(2), 64.90.245(12), 64.90.250, or 64.90.415(2)(d); the
33 association under RCW 64.90.030, 64.90.230(5), ~~((64.90.240(3),))~~
34 64.90.260~~((1))~~, ~~((or))~~ 64.90.265, or section 101 of this act or
35 subsection ~~((11))~~ (10) of this section; or certain unit owners
36 under RCW 64.90.240 (2) or (3), ~~((64.90.260(1),))~~ 64.90.265(2), or
37 64.90.290(2), and except as limited by subsections (4), (6), (7),
38 ~~((8),))~~ and ~~((12))~~ (11) of this section, the declaration may be

1 amended only by vote or agreement of unit owners of units to which at
2 least (~~sixty-seven~~) 67 percent of the votes in the association are
3 allocated, unless the declaration specifies a different percentage
4 not to exceed (~~ninety~~) 90 percent for all amendments or for
5 specific subjects of amendment. For purposes of this section,
6 "amendment" means any change to the declaration, including adding,
7 removing, or modifying restrictions contained in a declaration.

8 (b) If the declaration requires the approval of another person as
9 a condition of its effectiveness, the amendment is not valid without
10 that approval (~~; however, any right of approval may not result in an~~
11 ~~expansion of special declarant rights reserved in the declaration or~~
12 ~~violate any other section of this chapter, including RCW 64.90.015,~~
13 ~~64.90.050, 64.90.055, and 64.90.060).~~

14 (2) In the absence of fraud, any action to challenge the validity
15 of an amendment adopted by the association may not be brought more
16 than one year after the amendment is recorded.

17 (3) Every amendment to the declaration must be recorded in every
18 county in which any portion of the common interest community is
19 located and is effective only upon recordation. An amendment (~~(~~
20 ~~except an amendment pursuant to RCW 64.90.260(1),~~~~)~~) must be indexed
21 in the grantee's index in the name of the common interest community
22 and the association and in the grantor's index in the name of the
23 parties executing the amendment.

24 (4) Except to the extent expressly permitted or required under
25 this chapter, an amendment may not create or increase special
26 declarant rights, increase the number of units, change the boundaries
27 of any unit, or change the allocated interests of a unit without the
28 consent of unit owners to which at least (~~ninety~~) 90 percent of the
29 votes in the association are allocated, including the consent of any
30 unit owner of a unit, the boundaries of which or allocated interest
31 of which is changed by the amendment.

32 (5) Amendments to the declaration required to be executed by the
33 association must be executed by any authorized officer of the
34 association who must certify in the amendment that it was properly
35 adopted.

36 (6) (~~The declaration may require a higher percentage of unit~~
37 ~~owner approval for an amendment that is intended to prohibit or~~
38 ~~materially restrict the uses of units permitted under the applicable~~
39 ~~zoning ordinances, or to protect the interests of members of a~~
40 ~~defined class of owners, or to protect other legitimate interests of~~

1 ~~the association or its members. Subject to subsection (13) of this~~
2 ~~section, a declaration may not require, as a condition for amendment,~~
3 ~~approval by more than ninety percent of the votes in the association~~
4 ~~or by all but one unit owner, whichever is less. An amendment~~
5 ~~approved under this subsection must provide reasonable protection for~~
6 ~~a use permitted at the time the amendment was adopted.~~

7 ~~(7))~~ The time limits specified in the declaration pursuant to
8 RCW 64.90.225(1)(g) within which reserved development rights must be
9 exercised may be extended, and additional development rights may be
10 created, if persons entitled to cast at least ~~((eighty))~~ 80 percent
11 of the votes in the association, including ~~((eighty))~~ 80 percent of
12 the votes allocated to units not owned by the declarant, agree to
13 that action. The agreement is effective ~~((thirty))~~ 30 days after an
14 amendment to the declaration reflecting the terms of the agreement is
15 recorded unless all the persons holding the affected special
16 declarant rights, or security interests in those rights, record a
17 written objection within the ~~((thirty))~~ 30-day period, in which case
18 the amendment is void, or consent in writing at the time the
19 amendment is recorded, in which case the amendment is effective when
20 recorded.

21 ~~((8))~~ (7) A provision in the declaration creating special
22 declarant rights that have not expired may not be amended without the
23 consent of the declarant.

24 ~~((9))~~ (8) If any provision of this chapter or the declaration
25 requires the consent of a holder of a security interest in a unit as
26 a condition to the effectiveness of an amendment to the declaration,
27 the consent is deemed granted if a refusal to consent in a record is
28 not received by the association within ~~((sixty))~~ 60 days after the
29 association delivers notice of the proposed amendment to the holder
30 at an address for notice provided by the holder or mails the notice
31 to the holder by certified mail, return receipt requested, at that
32 address. If the holder has not provided an address for notice to the
33 association, the association must provide notice to the address in
34 the security interest of record.

35 ~~((10))~~ (9) Upon ~~((thirty))~~ 30-day advance notice to unit
36 owners, the declarant may, without a vote of the unit owners or
37 approval by the board, unilaterally adopt, execute, and record a
38 corrective amendment or supplement to the governing documents to
39 correct a mathematical mistake, an inconsistency, or a scrivener's
40 error, or clarify an ambiguity in the governing documents with

1 respect to an objectively verifiable fact including, without
2 limitation, recalculating the undivided interest in the common
3 elements, the liability for common expenses, or the number of votes
4 in the unit owners association appertaining to a unit, within five
5 years after the recordation or adoption of the governing document
6 containing or creating the mistake, inconsistency, error, or
7 ambiguity. Any such amendment or supplement may not materially reduce
8 what the obligations of the declarant would have been if the mistake,
9 inconsistency, error, or ambiguity had not occurred.

10 ~~((11))~~ (10) Upon ~~((thirty))~~ 30-day advance notice to unit
11 owners, the association may, upon a vote of two-thirds of the members
12 of the board, without a vote of the unit owners, adopt, execute, and
13 record an amendment to the declaration for the following purposes:

14 (a) To correct or supplement the governing documents as provided
15 in subsection ~~((10))~~ (9) of this section;

16 (b) ~~((To remove language and otherwise amend as necessary to
17 effect the removal of language purporting to forbid or restrict the
18 conveyance, encumbrance, occupancy, or lease to: Individuals of a
19 specified race, creed, color, sex, or national origin; individuals
20 with sensory, mental, or physical disabilities; and families with
21 children or any other legally protected classification;~~

22 ~~(e))~~ To remove language and otherwise amend as necessary to
23 effect the removal of language that purports to impose limitations on
24 the power of the association beyond the limit authorized in RCW
25 64.90.405(3)(a) to deal with the declarant that are more restrictive
26 than the limitations imposed on the power of the association to deal
27 with other persons; and

28 ~~((d))~~ (c) To remove any other language and otherwise amend as
29 necessary to effect the removal of language purporting to limit the
30 rights of the association or its unit owners in direct conflict with
31 this chapter.

32 ~~((12))~~ (11) If the declaration requires that amendments to the
33 declaration may be adopted only if the amendment is signed by a
34 specified number or percentage of unit owners and if the common
35 interest community contains more than ~~((twenty))~~ 20 units, such
36 requirement is deemed satisfied if the association obtains such
37 signatures or the vote or agreement of unit owners holding such
38 number or percentage.

39 ~~((13))~~ (12) (a) If the declaration requires that amendments to
40 the declaration may be adopted only by the vote or agreement of unit

1 owners of units to which more than (~~sixty-seven~~) 67 percent of the
2 votes in the association are allocated, and the percentage required
3 is otherwise consistent with this chapter, the amendment is approved
4 if:

5 (i) The approval of the percentage specified in the declaration
6 is obtained;

7 (ii) (A) Unit owners of units to which at least (~~sixty-seven~~) 67
8 percent of the votes in the association are allocated vote for or
9 agree to the proposed amendment;

10 (B) A unit owner does not vote against the proposed amendment;
11 and

12 (C) Notice of the proposed amendment, including notice that the
13 failure of a unit owner to object may result in the adoption of the
14 amendment, is delivered to the unit owners holding the votes in the
15 association that have not voted or agreed to the proposed amendment
16 and no written objection to the proposed amendment is received by the
17 association within (~~sixty~~) 60 days after the association delivers
18 notice; or

19 (iii) (A) Unit owners of units to which at least (~~sixty-seven~~)
20 67 percent of the votes in the association are allocated vote for or
21 agree to the proposed amendment;

22 (B) At least one unit owner objects to the proposed amendment;
23 and

24 (C) Pursuant to an action brought by the association in the
25 county in which the common interest community is situated against all
26 objecting unit owners, the court finds, under the totality of
27 circumstances including, but not limited to, the subject matter of
28 the amendment, the purpose of the amendment, the percentage voting to
29 approve the amendment, and the percentage objecting to the amendment,
30 that the amendment is reasonable.

31 (b) If the declaration requires the affirmative vote or approval
32 of any particular unit owner or class of unit owners as a condition
33 of its effectiveness, the amendment is not valid without that vote or
34 approval.

35 **Sec. 310.** RCW 64.90.290 and 2018 c 277 s 219 are each amended to
36 read as follows:

37 (1) Except for a taking of all the units by condemnation,
38 foreclosure against an entire cooperative of a security interest that
39 has priority over the declaration, or in the circumstances described

1 in RCW 64.90.325, a common interest community may be terminated only
2 by agreement of unit owners of units to which at least (~~eighty~~) 80
3 percent of the votes in the association are allocated, (~~or any~~
4 ~~larger percentage the declaration specifies~~) including at least 80
5 percent of the votes allocated to units not owned by the declarant,
6 and with any other approvals required by the declaration. The
7 declaration may require a larger percentage of total votes in the
8 association for approval, but termination requires approval by at
9 least 80 percent of the votes allocated to units not owned by the
10 declarant. The declaration may specify ((a)) smaller percentages only
11 if all of the units are restricted exclusively to nonresidential
12 uses.

13 (2) An agreement to terminate must be evidenced by the execution
14 of a termination agreement, or ratifications of the agreement, in the
15 same manner as a deed, by the requisite number of unit owners. The
16 termination agreement must specify a date after which the agreement
17 is void unless it is recorded before that date. A termination
18 agreement and all ratifications of the agreement must be recorded in
19 every county in which a portion of the common interest community is
20 situated and is effective only upon recordation. An agreement to
21 terminate may only be amended by complying with the requirements of
22 this subsection and subsection (1) of this section.

23 (3) (~~(a) In the case of a condominium, plat community, or~~
24 ~~miscellaneous community containing only units having horizontal~~
25 ~~boundaries between units, a)~~ A termination agreement may provide
26 (~~that~~) for the sale of some or all of the common elements and units
27 of the common interest community ((must be sold)) following
28 termination. If, pursuant to the agreement, any real estate in the
29 common interest community is to be sold following termination, the
30 termination agreement must set forth the minimum purchase price,
31 manner of payment, and outside closing date, and may include any
32 other terms of the sale.

33 (~~(b) In the case of a condominium, plat community, or~~
34 ~~miscellaneous community containing no units having horizontal~~
35 ~~boundaries between units, a~~ termination agreement may provide for
36 sale of the common elements that are not necessary for the
37 habitability of a unit, but it may not require that any unit be sold
38 following termination, unless the declaration as originally recorded
39 provided otherwise or all the unit owners consent to the sale. If,
40 pursuant to the agreement, any real estate in the common interest

1 community is to be sold following termination, the termination
2 agreement must set forth the minimum purchase price, manner of
3 payment, and outside closing date, and may include any other terms of
4 sale.

5 (c) In the case of a condominium, plat community, or
6 miscellaneous community containing some units having horizontal
7 boundaries between units and some units without horizontal boundaries
8 between units, a termination agreement may provide for sale of the
9 common elements that are not necessary for the habitability of a
10 unit, but it may not require that any unit be sold following
11 termination, unless the declaration as originally recorded provided
12 otherwise or all the unit owners of units in the building to be sold
13 consent to the sale. If, pursuant to the agreement, any real estate
14 in the common interest community is to be sold following termination,
15 the termination agreement must set forth the minimum purchase price,
16 manner of payment, and outside closing date, and may include any
17 other terms of sale.)

18 (4) (a) The association, on behalf of the unit owners, may
19 contract for the sale of real estate in a common interest community,
20 but the contract is not binding on the unit owners until approved
21 pursuant to subsections (1) and (2) of this section. If any real
22 estate is to be sold following termination, title to that real
23 estate (~~(, upon termination,)~~) not already owned by the association
24 vests on termination in the association as trustee for the holders of
25 all interests in the units. Thereafter, the association has all
26 powers necessary and appropriate to effect the sale. Until the sale
27 has been concluded and the proceeds of the sale distributed, the
28 association continues in existence with all powers it had before
29 termination.

30 (b) Proceeds of the sale must be distributed to unit owners and
31 lienholders as their interests may appear, in accordance with
32 subsections (~~((6) and)~~) (7), (8), (9), and (13) of this section.
33 Unless otherwise specified in the termination agreement, as long as
34 the association holds title to the real estate, each unit owner and
35 the unit owner's successors in interest have an exclusive right to
36 occupancy of the portion of the real estate that formerly constituted
37 the unit. During the period of that occupancy, each unit owner and
38 the unit owner's successors in interest remain liable for all
39 assessments and other obligations imposed on unit owners under this
40 chapter or the declaration.

1 (5) (~~In a condominium, plat community, or miscellaneous~~
2 ~~community, if any portion of the real estate constituting the common~~
3 ~~interest community is not to be sold following termination, title to~~
4 ~~those portions of the real estate constituting the common elements~~
5 ~~and, in a common interest community containing units having~~
6 ~~horizontal boundaries between units described in the declaration,~~
7 ~~title to all the real estate containing such boundaries in the common~~
8 ~~interest community vests in the unit owners upon termination as~~
9 ~~tenants in common in proportion to their respective interests as~~
10 ~~provided in subsection (8) of this section, and liens on the units~~
11 ~~shift accordingly. While the tenancy in common exists, each unit~~
12 ~~owner and the unit owner's successors in interest have an exclusive~~
13 ~~right to occupancy of the portion of the real estate that formerly~~
14 ~~constituted the unit.)) Termination does not change title to a unit
15 or common element not to be sold following termination unless the
16 termination agreement otherwise provides.~~

17 (6) (~~(a)~~) Following termination of the common interest
18 community, the proceeds of a sale of real estate, together with the
19 assets of the association, are held by the association as trustee for
20 unit owners and holders of liens on the units as their interests may
21 appear.

22 (~~(b)~~) (7)(a) Following termination of a condominium, plat
23 community, or miscellaneous community, creditors of the association
24 holding liens on the units that were recorded or perfected under RCW
25 4.64.020 before termination may enforce those liens in the same
26 manner as any lienholder.

27 (~~(c)~~) (b) All other creditors of the association are to be
28 treated as if they had perfected liens on the units immediately
29 before termination.

30 (~~(7)~~) (8) In a cooperative, the declaration may provide that
31 all creditors of the association have priority over any interests of
32 unit owners and creditors of unit owners. In that event, following
33 termination, creditors of the association holding liens on the
34 cooperative that were recorded or perfected under RCW 4.64.020 before
35 termination may enforce their liens in the same manner as any
36 lienholder, and any other creditor of the association is to be
37 treated as if the creditor had perfected a lien against the
38 cooperative immediately before termination. Unless the declaration
39 provides that all creditors of the association have that priority:

1 (a) The lien of each creditor of the association that was
2 perfected against the association before termination becomes, upon
3 termination, a lien against each unit owner's interest in the unit as
4 of the date the lien was perfected;

5 (b) Any other creditor of the association must be treated, upon
6 termination, as if the creditor had perfected a lien against each
7 unit owner's interest immediately before termination;

8 (c) The amount of the lien of an association's creditor described
9 in (a) and (b) of this subsection against each of the unit owners'
10 interest must be proportionate to the ratio that each unit's common
11 expense liability bears to the common expense liability of all of the
12 units;

13 (d) The lien of each creditor of each unit owner that was
14 perfected before termination continues as a lien against that unit
15 owner's unit as of the date the lien was perfected;

16 (e) The assets of the association must be distributed to all unit
17 owners and all lienholders as their interests may appear in the order
18 described in this subsection; and

19 (f) Creditors of the association are not entitled to payment from
20 any unit owner in excess of the amount of the creditor's lien against
21 that unit owner's interest.

22 ~~((+8))~~ (9) The respective interests of unit owners referred to
23 in subsections (4), (5), (6), ~~((and))~~ (7), (8), and (13) of this
24 section are as follows:

25 (a) Except as otherwise provided in ~~((+b))~~ (d) of this
26 subsection, the respective interests of unit owners are the fair
27 market values of their units, allocated interests, and any limited
28 common elements immediately before the termination, as determined by
29 appraisal made by one or more independent appraisers selected by the
30 association. The ~~((decision of the independent appraisers))~~ appraisal
31 must be distributed to the unit owners and becomes final unless
32 ~~((disapproved within thirty))~~ :

33 (i) Disapproved not later than 30 days after distribution by unit
34 owners of units to which ~~((twenty-five))~~ at least 25 percent of the
35 votes in the association are allocated; or

36 (ii) A unit owner objects in a record not later than 30 days
37 after distribution to the determination of value of the unit owner's
38 unit.

39 (b) A unit owner that objects under (a)(ii) of this subsection
40 may select an appraiser to represent the owner and make an appraisal

1 of the unit owner's unit. If the association's appraisal and the unit
2 owner's appraisal of the fair market value of the unit owner's
3 interest differ, a panel consisting of an appraiser selected by the
4 association, the unit owner's appraiser, and a third appraiser
5 mutually selected by the first two appraisers shall determine, by
6 majority vote, the value of the unit owner's interest. The
7 determination of value by the panel is final.

8 (c) The proportion of any unit owner's interest to that of all
9 unit owners is determined by dividing the fair market value of that
10 unit owner's unit and its allocated interests by the total fair
11 market values of all the units and their allocated interests.

12 ~~((b))~~ (d) If any unit or any limited common element is
13 destroyed to the extent that an appraisal of the fair market value of
14 the unit or limited common element before destruction cannot be made,
15 the interests of all unit owners are:

16 (i) In a condominium, their respective common element interests
17 immediately before the termination;

18 (ii) In a cooperative, their respective ownership interests
19 immediately before the termination; and

20 (iii) In a plat community or miscellaneous community, their
21 respective common expense liabilities immediately before the
22 termination.

23 ~~((9))~~ (10) In a condominium, plat community, or miscellaneous
24 community, except as otherwise provided in subsection ~~((10))~~ (11)
25 of this section, foreclosure or enforcement of a lien or encumbrance
26 against the entire common interest community does not terminate the
27 common interest community, and foreclosure or enforcement of a lien
28 or encumbrance against a portion of the common interest community,
29 other than withdrawable real estate, does not withdraw that portion
30 from the common interest community. Foreclosure or enforcement of a
31 lien or encumbrance against withdrawable real estate, or against
32 common elements that have been subjected to a security interest by
33 the association under RCW 64.90.465, does not withdraw that real
34 estate from the common interest community, but the person taking
35 title to the real estate may require from the association, upon
36 request, an amendment excluding the real estate from the common
37 interest community.

38 ~~((10))~~ (11) In a condominium, plat community, or miscellaneous
39 community, if a lien or encumbrance against a portion of the real
40 estate comprising the common interest community has priority over the

1 declaration and the lien or encumbrance has not been partially
2 released, the parties foreclosing the lien or encumbrance, upon
3 foreclosure, may record an instrument excluding the real estate
4 subject to that lien or encumbrance from the common interest
5 community.

6 ~~((11))~~ (12) The right of partition under chapter 7.52 RCW is
7 suspended if an agreement to sell property is provided for in the
8 termination agreement pursuant to subsection (3) ~~((a), (b), or (c))~~
9 of this section. The suspension of the right to partition continues
10 unless a binding obligation to sell does not exist three months after
11 the recording of the termination agreement, the binding sale
12 agreement is terminated, or one year after the termination agreement
13 is recorded, whichever occurs first.

14 (13) A termination agreement complying with this section may
15 provide for termination of fewer than all of the units in a common
16 interest community, subject to the following rules:

17 (a) In addition to the approval required by subsection (1) of
18 this section, the termination agreement must be approved by at least
19 80 percent of the votes allocated to the units being terminated;

20 (b) The termination agreement must reallocate under RCW 64.90.235
21 the allocated interests for the units that remain in the common
22 interest community after termination;

23 (c) The aggregate values of the units and common elements being
24 terminated must be determined under subsection (9) of this section.
25 The termination agreement must specify the allocation of the proceeds
26 of sale for the units and common elements being terminated and sold;

27 (d) Security interests and liens on remaining units and remaining
28 common elements continue, and security interests and liens on units
29 being terminated no longer extend to any remaining common elements;

30 (e) The unit owners association continues as the association for
31 the remaining units; and

32 (f) The association shall record with the termination agreement
33 under subsection (2) of this section an amendment to the declaration
34 or an amended and restated declaration.

35 **Sec. 311.** RCW 64.90.405 and 2019 c 238 s 209 are each amended to
36 read as follows:

37 (1) An association must:

38 (a) Adopt organizational documents;

39 (b) Adopt budgets as provided in RCW 64.90.525;

1 (c) Impose assessments for common expenses and specially
2 allocated expenses on the unit owners as provided in RCW
3 (~~64.90.080(1)~~) 64.90.480(1) and 64.90.525;

4 (d) Prepare financial statements as provided in RCW 64.90.530;
5 and

6 (e) Deposit and maintain the funds of the association in accounts
7 as provided in RCW 64.90.530.

8 (2) Except as provided otherwise in subsection (4) of this
9 section and subject to the provisions of the declaration, the
10 association may:

11 (a) Amend organizational documents and adopt and amend rules;
12 (b) Amend budgets under RCW 64.90.525;

13 (c) Hire and discharge managing agents and other employees,
14 agents, and independent contractors;

15 (d) Institute, defend, or intervene in litigation or in
16 arbitration, mediation, or administrative proceedings or any other
17 legal proceeding in its own name on behalf of itself or two or more
18 unit owners on matters affecting the common interest community;

19 (e) Make contracts and incur liabilities subject to subsection
20 (4) of this section;

21 (f) Regulate the use, maintenance, repair, replacement, and
22 modification of common elements;

23 (g) Cause additional improvements to be made as a part of the
24 common elements;

25 (h) Acquire, hold, encumber, and convey in its own name any
26 right, title, or interest to real estate or personal property, but:

27 (i) Common elements in a condominium, plat community, or
28 miscellaneous community may be conveyed or subjected to a security
29 interest pursuant to RCW 64.90.465 only; and

30 (ii) Part of a cooperative may be conveyed, or all or part of a
31 cooperative may be subjected to a security interest pursuant to RCW
32 64.90.465 only;

33 (i) Grant easements, leases, and licenses(~~(, and concessions)~~)
34 through or over the common elements, but a grant to a unit owner that
35 benefits the unit owner's unit is allowed only by reallocation under
36 RCW 64.90.240(3) of the common elements to a limited common element,
37 and petition for or consent to the vacation of streets and alleys;

38 (j) Impose and collect any reasonable payments, fees, or charges
39 for:

1 (i) The use, rental, or operation of the common elements, other
2 than limited common elements described in RCW 64.90.210 (1)(b) and
3 (3);

4 (ii) Services provided to unit owners; and

5 (iii) Moving in, moving out, or transferring title to units to
6 the extent provided for in the declaration;

7 (k) Collect assessments and impose and collect reasonable charges
8 for late payment of assessments;

9 (l) Enforce the governing documents and, after notice and
10 opportunity to be heard, impose and collect reasonable fines for
11 violations of the governing documents in accordance with a previously
12 established schedule of fines adopted by the board of directors and
13 furnished to the owners pursuant to the requirements for notice in
14 RCW 64.90.505;

15 (m) Impose and collect reasonable charges for the preparation and
16 recordation of amendments to the declaration, resale certificates
17 required under RCW 64.90.640, lender questionnaires, or statements of
18 unpaid assessments;

19 (n) Provide for the indemnification of its officers and board
20 members, to the extent provided in RCW 23B.17.030;

21 (o) Maintain directors' and officers' liability insurance;

22 (p) Subject to subsection (4) of this section, assign its right
23 to future income, including the right to receive assessments;

24 (q) Join in a petition for the establishment of a parking and
25 business improvement area, participate in the ratepayers' board or
26 other advisory body set up by the legislative authority for operation
27 of a parking and business improvement area, and pay special
28 assessments levied by the legislative authority on a parking and
29 business improvement area encompassing the condominium property for
30 activities and projects that benefit the condominium directly or
31 indirectly;

32 (r) Establish and administer a reserve account as described in
33 RCW 64.90.535;

34 (s) Prepare a reserve study as described in RCW 64.90.545;

35 (t) Exercise any other powers conferred by the declaration or
36 organizational documents;

37 (u) Exercise all other powers that may be exercised in this state
38 by the same type of entity as the association;

39 (v) Exercise any other powers necessary and proper for the
40 governance and operation of the association;

1 (w) Require that disputes between the association and unit owners
2 or between two or more unit owners regarding the common interest
3 community, other than those governed by chapter 64.50 RCW, be
4 submitted to nonbinding alternative dispute resolution as a
5 prerequisite to commencement of a judicial proceeding; and

6 (x) Suspend any right or privilege of a unit owner who fails to
7 pay an assessment which suspension may be imposed for a reasonable
8 amount of time not to exceed one business day after the association
9 receives full payment of the delinquent assessment and confirmation
10 of cleared funds, but may not:

11 (i) Deny a unit owner or other occupant access to the owner's
12 unit, or any limited common elements allocated only to that unit, or
13 any common elements necessary to access the unit;

14 (ii) Suspend a unit owner's right to vote; or

15 (iii) Withhold services provided to a unit or a unit owner by the
16 association if the effect of withholding the service would be to
17 endanger the health, safety, or property of any person.

18 (3) The declaration may not limit the power of the association
19 beyond the limit authorized in subsection (2)(w) of this section to:

20 (a) Deal with the declarant if the limit is more restrictive than
21 the limit imposed on the power of the association to deal with other
22 persons; or

23 (b) Institute litigation or an arbitration, mediation, or
24 administrative proceeding against any person, subject to the
25 following:

26 (i) The association must comply with chapter 64.50 RCW, if
27 applicable, before instituting any proceeding described in chapter
28 64.50 RCW in connection with construction defects; and

29 (ii) The board must promptly provide notice to the unit owners of
30 any legal proceeding in which the association is a party other than
31 proceedings involving enforcement of rules or to recover unpaid
32 assessments or other sums due the association.

33 (4) Any borrowing by an association that is to be secured by an
34 assignment of the association's right to receive future income
35 pursuant to subsection (2)(e) and (p) of this section requires
36 ratification by the unit owners as provided in this subsection.

37 (a) The board must provide notice of the intent to borrow to all
38 unit owners. The notice must include the purpose and maximum amount
39 of the loan, the estimated amount and term of any assessments
40 required to repay the loan, a reasonably detailed projection of how

1 the money will be expended, and the interest rate and term of the
2 loan.

3 (b) In the notice, the board must set a date for a meeting of the
4 unit owners, which must not be less than (~~fourteen~~) 14 and no more
5 than (~~fifty~~) 50 days after mailing of the notice, to consider
6 ratification of the borrowing.

7 (c) Unless at that meeting, whether or not a quorum is present,
8 unit owners holding a majority of the votes in the association or any
9 larger percentage specified in the declaration reject the proposal to
10 borrow funds, the association may proceed to borrow the funds in
11 substantial accordance with the terms contained in the notice.

12 (5) If a tenant of a unit owner violates the governing documents,
13 in addition to exercising any of its powers against the unit owner,
14 the association may:

15 (a) Exercise directly against the tenant the powers described in
16 subsection (2)(1) of this section;

17 (b) After giving notice to the tenant and the unit owner and an
18 opportunity to be heard, levy reasonable fines against the tenant and
19 unit owner for the violation; and

20 (c) Enforce any other rights against the tenant for the violation
21 that the unit owner as the landlord could lawfully have exercised
22 under the lease or that the association could lawfully have exercised
23 directly against the unit owner, or both; but the association does
24 not have the right to terminate a lease or evict a tenant unless
25 permitted by the declaration. The rights referred to in this
26 subsection (5)(c) may be exercised only if the tenant or unit owner
27 fails to cure the violation within (~~ten~~) 10 days after the
28 association notifies the tenant and unit owner of that violation.

29 (6) Unless a lease otherwise provides, this section does not:

30 (a) Affect rights that the unit owner has to enforce the lease or
31 that the association has under other law; or

32 (b) Permit the association to enforce a lease to which it is not
33 a party in the absence of a violation of the governing documents.

34 (7) The board may determine whether to take enforcement action by
35 exercising the association's power to impose sanctions or commencing
36 an action for a violation of the governing documents, including
37 whether to compromise any claim for unpaid assessments or other claim
38 made by or against it.

39 (8) The board does not have a duty to take enforcement action if
40 it determines that, under the facts and circumstances presented:

1 (a) The association's legal position does not justify taking any
2 or further enforcement action;

3 (b) The covenant, restriction, or rule being enforced is, or is
4 likely to be construed as, inconsistent with law;

5 (c) Although a violation may exist or may have occurred, it is
6 not so material as to be objectionable to a reasonable person or to
7 justify expending the association's resources; or

8 (d) It is not in the association's best interests to pursue an
9 enforcement action.

10 (9) The board's decision under subsections (7) and (8) of this
11 section to not pursue enforcement under one set of circumstances does
12 not prevent the board from taking enforcement action under another
13 set of circumstances, but the board may not be arbitrary or
14 capricious in taking enforcement action.

15 **Sec. 312.** RCW 64.90.410 and 2019 c 238 s 101 are each amended to
16 read as follows:

17 (1)(a) Except as provided otherwise in the governing documents,
18 subsection (4) of this section, or other provisions of this chapter,
19 the board may act on behalf of the association.

20 (b) In the performance of their duties, officers and board
21 members must exercise the degree of care and loyalty to the
22 association required of an officer or director of a corporation
23 organized, are subject to the conflict of interest rules governing
24 directors and officers, and are entitled to the immunities from
25 liability available to officers and directors under chapter 24.06
26 RCW. The standards of care and loyalty, and conflict of interest
27 rules and immunities described in this section apply regardless of
28 the form in which the association is organized.

29 (2)(a) Except as provided otherwise in RCW 64.90.300(~~((+5))~~) (9),
30 effective as of the transition meeting held in accordance with RCW
31 64.90.415(4), the board must be comprised of at least three members,
32 at least a majority of whom must be unit owners. However, the number
33 of board members need not exceed the number of units then in the
34 common interest community.

35 (b) Unless the declaration or organizational documents provide
36 for the election of officers by the unit owners, the board must elect
37 the officers.

38 (c) Unless provided otherwise in the declaration or
39 organizational documents, board members and officers must take office

1 upon adjournment of the meeting at which they were elected or
2 appointed or, if not elected or appointed at a meeting, at the time
3 of such election or appointment, and must serve until their successor
4 takes office.

5 (d) In determining the qualifications of any officer or board
6 member of the association, "unit owner" includes, unless the
7 declaration or organizational documents provide otherwise, any board
8 member, officer, member, partner, or trustee of any person, who is,
9 either alone or in conjunction with another person or persons, a unit
10 owner.

11 (e) Any officer or board member of the association who would not
12 be eligible to serve as such if he or she were not a board member,
13 officer, partner in, or trustee of such a person is disqualified from
14 continuing in office if he or she ceases to have any such affiliation
15 with that person or that person would have been disqualified from
16 continuing in such office as a natural person.

17 (3) Except when voting as a unit owner, the declarant may not
18 appoint or elect any person or to serve itself as a voting, ex
19 officio or nonvoting board member following the transition meeting.

20 (4) The board may not, without vote or agreement of the unit
21 owners:

22 (a) Amend the declaration, except as provided in RCW 64.90.285;

23 (b) Amend the organizational documents of the association;

24 (c) Terminate the common interest community;

25 (d) Elect members of the board, but may fill vacancies in its
26 membership not resulting from removal for the unexpired portion of
27 any term or, if earlier, until the next regularly scheduled election
28 of board members; or

29 (e) Determine the qualifications, powers, duties, or terms of
30 office of board members.

31 (5) The board must adopt budgets as provided in RCW 64.90.525.

32 (6) Except for committees appointed by the declarant pursuant to
33 special declarant rights, all committees of the association must be
34 appointed by the board. Committees authorized to exercise any power
35 reserved to the board must include at least two board members who
36 have exclusive voting power for that committee. Committees that are
37 not so composed may not exercise the authority of the board and are
38 advisory only.

39 (7) A declaration may provide for the appointment of specified
40 positions on the board by persons other than the declarant or an

1 affiliate of the declarant during or after the period of declarant
2 control. It also may provide a method for filling vacancies in those
3 positions, other than by election by the unit owners. However, after
4 the period of declarant control, appointed members:

- 5 (a) May not comprise more than one-third of the board; and
6 (b) Have no greater authority than any other board member.

7 NEW SECTION. Sec. 313. A new section is added to chapter 64.90
8 RCW to read as follows:

9 (1) Notwithstanding any contrary provision in the declaration or
10 organizational documents, prior to an election of board members, the
11 association must provide notice to all unit owners of the following:

- 12 (a) The number of board positions that may be filled;
13 (b) The qualifications to be a board candidate, if any; and
14 (c) The process, manner, and deadline for submitting nominations.

15 (2) If the board determines that any nominee is not a qualified
16 candidate, the board shall notify the nominee of the basis for the
17 disqualification, and the procedure for appealing the
18 disqualification.

19 **Sec. 314.** RCW 64.90.420 and 2018 c 277 s 305 are each amended to
20 read as follows:

21 (1) No later than (~~thirty~~) 30 days following the date of the
22 transition meeting held pursuant to RCW 64.90.415(4), the declarant
23 must deliver or cause to be delivered to the board elected at the
24 transition meeting all property of the unit owners and association as
25 required by the declaration or this chapter including, but not
26 limited to:

27 (a) The original or a copy of the recorded declaration and each
28 amendment to the declaration;

29 (b) The organizational documents of the association;

30 (c) The minute books, including all minutes, and other books and
31 records of the association;

32 (d) Current rules and regulations that have been adopted;

33 (e) Resignations of officers and members of the board who are
34 required to resign because the declarant is required to relinquish
35 control of the association;

36 (f) The financial records, including canceled checks, bank
37 statements, and financial statements of the association, and source

1 documents from the time of formation of the association through the
2 date of transfer of control to the unit owners;

3 (g) Association funds or the control of the funds of the
4 association;

5 (h) Originals or copies of any recorded instruments of conveyance
6 for any common elements included within the common interest community
7 but not appurtenant to the units;

8 (i) All tangible personal property of the association;

9 (j) Except for alterations to a unit done by a unit owner other
10 than the declarant, a copy of the most recent plans and
11 specifications used in the construction or remodeling of the common
12 interest community, except for buildings containing fewer than three
13 units;

14 (k) Originals or copies of insurance policies for the common
15 interest community and association;

16 (l) Originals or copies of any certificates of occupancy that may
17 have been issued for the common interest community;

18 (m) Originals or copies of any other permits obtained by or on
19 behalf of the declarant and issued by governmental bodies applicable
20 to the common interest community;

21 (n) Originals or copies of all written warranties that are still
22 in effect for the common elements, or any other areas or facilities
23 that the association has the responsibility to maintain and repair,
24 from the contractor, subcontractors, suppliers, and manufacturers and
25 all owners' manuals or instructions furnished to the declarant with
26 respect to installed equipment or building systems;

27 (o) A roster of unit owners and eligible mortgagees and their
28 addresses and telephone numbers, if known, as shown on the
29 declarant's records and the date of closing of the first sale of each
30 unit sold by the declarant;

31 (p) Originals or copies of any leases of the common elements and
32 other leases to which the association is a party;

33 (q) Originals or photocopies of any employment contracts or
34 service contracts in which the association is one of the contracting
35 parties or service contracts in which the association or the unit
36 owners have an obligation or a responsibility, directly or
37 indirectly, to pay some or all of the fee or charge of the person
38 performing the service;

39 (r) Originals or copies of any qualified warranty issued to the
40 association as provided for in RCW 64.35.505; (~~and~~)

1 (s) Originals or copies of all other contracts to which the
2 association is a party; and

3 (t) Originals or copies of the most recent reserve study prepared
4 pursuant to RCW 64.90.545, if one exists.

5 (2) Within ((sixty)) 60 days of the transition meeting, the board
6 must retain the services of a certified public accountant to audit
7 the records of the association as the date of the transition meeting
8 in accordance with generally accepted auditing standards unless the
9 unit owners, other than the declarant, to which a majority of the
10 votes are allocated elect to waive the audit. The cost of the audit
11 must be a common expense unless otherwise provided in the
12 declaration. The accountant performing the audit must examine
13 supporting documents and records, including the cash disbursements
14 and related paid invoices, to determine if expenditures were for
15 association purposes and the billings, cash receipts, and related
16 records to determine if the declarant was charged for and paid the
17 proper amount of assessments.

18 ~~((3) A declaration may provide for the appointment of specified~~
19 ~~positions on the board by persons other than the declarant or an~~
20 ~~affiliate of the declarant during or after the period of declarant~~
21 ~~control. It also may provide a method for filling vacancies in those~~
22 ~~positions, other than by election by the unit owners. However, after~~
23 ~~the period of declarant control, appointed members:~~

24 ~~(a) May not comprise more than one-third of the board; and~~

25 ~~(b) Have no greater authority than any other board member.)~~

26 **Sec. 315.** RCW 64.90.425 and 2018 c 277 s 306 are each amended to
27 read as follows:

28 ~~((Except as provided in subsection (3) of this section, a~~
29 ~~special declarant right created or reserved under this chapter may be~~
30 ~~transferred only by an instrument effecting the transfer and executed~~
31 ~~by the transferor, to be recorded in every county in which any~~
32 ~~portion of the common interest community is located. The transferee~~
33 ~~must provide the association with a copy of the recorded instrument,~~
34 ~~but the failure to furnish the copy does not invalidate the transfer.~~

35 ~~(2) Upon transfer of any special declarant right, the liability~~
36 ~~of a transferor declarant is as follows:~~

37 ~~(a) A transferor is not relieved of any obligation or liability~~
38 ~~arising before the transfer and remains liable for such warranty~~
39 ~~obligations arising before the transfer imposed upon the transferor~~

1 under this chapter. Lack of privity does not deprive any unit owner
2 of standing to maintain an action to enforce any obligation of the
3 transferor.

4 (b) If a successor to any special declarant right is an affiliate
5 of a declarant the transferor is jointly and severally liable with
6 the successor for any obligations or liabilities of the successor
7 relating to the common interest community.

8 (c) If a transferor retains any special declarant rights, but
9 transfers other special declarant rights to a successor who is not an
10 affiliate of the declarant, the transferor is liable for any
11 obligations or liabilities imposed on a declarant under this chapter
12 or by the declaration relating to the retained special declarant
13 rights, whether arising before or after the transfer.

14 (d) A transferor is not liable for any act or omission or any
15 breach of a contractual or warranty obligation by a successor
16 declarant who is not an affiliate of the transferor.

17 (3) Upon foreclosure of a security interest, sale by a trustee
18 under an agreement creating a security interest, tax sale, judicial
19 sale, or sale under bankruptcy code or receivership proceedings of
20 any unit owned by a declarant or real property in a common interest
21 community that is subject to any special declarant rights, a person
22 acquiring title to the real property being foreclosed or sold
23 succeeds to all of the special declarant rights related to that real
24 property held by that declarant and to any rights reserved in the
25 declaration pursuant to RCW 64.90.275 and held by that declarant to
26 maintain models, sales offices, and signs except to the extent the
27 judgment or instrument effecting the transfer states otherwise.

28 (4) Upon foreclosure of a security interest, sale by a trustee
29 under an agreement creating a security interest, tax sale, judicial
30 sale, or sale under bankruptcy code or receivership proceedings of
31 all interests in a common interest community owned by a declarant,
32 any special declarant rights that are not transferred as stated in
33 subsection (3) of this section terminate.

34 (5) The liabilities and obligations of a person who succeeds to
35 special declarant rights are as follows:

36 (a) A successor to any special declarant right who is an
37 affiliate of a declarant is subject to all obligations and
38 liabilities imposed on the transferor under this chapter or by the
39 declaration.

1 ~~(b) A successor to any special declarant right, other than a~~
2 ~~successor who is an affiliate of a declarant, is subject to the~~
3 ~~obligations and liabilities imposed under this chapter or the~~
4 ~~declaration:~~

5 ~~(i) On a declarant that relate to the successor's exercise of~~
6 ~~special declarant rights; and~~

7 ~~(ii) On the declarant's transferor, other than:~~

8 ~~(A) Misrepresentations by any previous declarant;~~

9 ~~(B) Any warranty obligations pursuant to RCW 64.90.670 (1)~~
10 ~~through (3) on improvements made or contracted for, or units sold by,~~
11 ~~a previous declarant or that were made before the common interest~~
12 ~~community was created;~~

13 ~~(C) Breach of any fiduciary obligation by any previous declarant~~
14 ~~or the previous declarant's appointees to the board; or~~

15 ~~(D) Any liability or obligation imposed on the transferor as a~~
16 ~~result of the transferor's acts or omissions after the transfer.~~

17 ~~(c) A successor to only a right reserved in the declaration to~~
18 ~~maintain models, sales offices, and signs may not exercise any other~~
19 ~~special declarant right, and is not subject to any liability or~~
20 ~~obligation as a declarant, except the obligation to provide a public~~
21 ~~offering statement and any liability arising as a result of such~~
22 ~~reserved rights.~~

23 ~~(6) This section does not subject any successor to a special~~
24 ~~declarant right to any claims against or other obligations of a~~
25 ~~transferor declarant, other than claims and obligations arising under~~
26 ~~this chapter or the declaration.)) The definitions in this subsection~~
27 ~~apply throughout this section unless the context clearly requires~~
28 ~~otherwise.~~

29 (a) "Involuntary transfer" means a transfer by foreclosure of a
30 mortgage, deed in lieu of foreclosure, tax sale, judicial sale, or
31 sale in a bankruptcy or receivership proceeding of real estate owned
32 by a declarant.

33 (b) "Nonaffiliate successor" means a person that succeeds to a
34 special declarant right and is not an affiliate of the declarant that
35 transferred the special declarant right to the person.

36 (2) A special declarant right is an interest in real estate. The
37 interest is appurtenant to:

38 (a) All units owned by the declarant; and

39 (b) Real estate that is subject to a development right.

1 (3) A declarant that no longer owns a unit or a development right
2 ceases to have any special declarant rights.

3 (4) A declarant may voluntarily transfer part or all of a special
4 declarant right only by an instrument that describes the special
5 declarant right being transferred. The transfer becomes effective
6 when recorded in every county in which any portion of the common
7 interest community is located.

8 (5) Except as otherwise provided in subsection (8), (9), (11), or
9 (12) of this section, a successor to a special declarant right is
10 subject to all obligations and liabilities imposed on the transferor
11 by this chapter or the declaration.

12 (6) If a declarant transfers a special declarant right to an
13 affiliate of the declarant, the transferor and the successor are
14 jointly and severally liable for all obligations and liabilities
15 imposed on either person by this chapter or the declaration. Lack of
16 privity does not deprive a unit owner of standing to maintain an
17 action to enforce any obligation or liability of the transferor or
18 successor.

19 (7) A declarant that transfers a special declarant right to a
20 nonaffiliate successor:

21 (a) Remains liable for an obligation or liability imposed by this
22 chapter or the declaration, including a warranty obligation, that
23 arose before the transfer; and

24 (b) Is not liable for an obligation or liability imposed on the
25 successor by this chapter or the declaration that arose after the
26 transfer.

27 (8) A nonaffiliate successor that succeeds to fewer than all
28 special declarant rights held by the transferor is not subject to an
29 obligation or liability that relates to a special declarant right not
30 transferred to the successor.

31 (9) A nonaffiliate successor is not liable for an obligation or
32 liability imposed by this chapter or the declaration that relates to:

33 (a) A misrepresentation by a previous declarant;

34 (b) A warranty obligation on an improvement made by a previous
35 declarant or before the common interest community was created;

36 (c) Breach of a fiduciary obligation by a previous declarant or
37 the previous declarant's appointees to the board; or

38 (d) An obligation or liability imposed on the transferor as a
39 result of the transferor's act or omission after the transfer.

1 (10) If an involuntary transfer includes a special declarant
2 right, the transferee may elect to acquire or reject the special
3 declarant right. A transferee that elects to acquire the special
4 declarant right is a successor declarant. The election is effective
5 only if the judgment or instrument conveying title describes the
6 special declarant right.

7 (11) A successor to a special declarant right by an involuntary
8 transfer may declare in a recorded instrument the successor's intent
9 to hold the right solely for transfer to another person. After
10 recording the instrument, the successor may not exercise a special
11 declarant right, other than a right under RCW 64.90.415(1)(a) to
12 control the board, and an attempt to exercise a special declarant
13 right in violation of this subsection is void. A successor that
14 complies with this subsection is not liable for an obligation or
15 liability imposed by this chapter or the declaration other than
16 liability for the successor's act or omission under RCW
17 64.90.415(1)(a).

18 (12) This section does not subject a successor to a special
19 declarant right to a claim against or obligation of a transferor,
20 other than a claim or obligation imposed by this chapter or the
21 declaration.

22 **Sec. 316.** RCW 64.90.445 and 2021 c 227 s 13 are each amended to
23 read as follows:

24 (1) The following requirements apply to unit owner meetings:

25 (a) A meeting of the association must be held at least once each
26 year. Failure to hold an annual meeting does not cause a forfeiture
27 or give cause for dissolution of the association and does not affect
28 otherwise valid association acts.

29 (b) (i) An association must hold a special meeting of unit owners
30 to address any matter affecting the common interest community or the
31 association if its president, a majority of the board, or unit owners
32 having at least ~~((twenty))~~ 20 percent, or any lower percentage
33 specified in the organizational documents, of the votes in the
34 association request that the secretary call the meeting.

35 (ii) If the association does not provide notice to unit owners of
36 a special meeting within ~~((thirty))~~ 30 days after the requisite
37 number or percentage of unit owners request the secretary to do so,
38 the requesting members may directly provide notice to all the unit
39 owners of the meeting. ~~((Only matters described in the meeting notice~~

1 ~~required in (c) of this subsection may be considered at a special~~
2 ~~meeting.)) The unit owners may discuss at a special meeting a matter~~
3 ~~not described in the notice under (c) of this subsection but may not~~
4 ~~take action on the matter without the consent of all unit owners.~~

5 (c) An association must provide notice to unit owners of the
6 time, date, and place of each annual and special unit owners meeting
7 not less than ~~((fourteen))~~ 14 days and not more than ~~((fifty))~~ 50
8 days before the meeting date. Notice may be by any means described in
9 RCW 64.90.515. The notice of any meeting must state the time, date,
10 and place of the meeting and the items on the agenda, including:

11 (i) The text of any proposed amendment to the declaration or
12 organizational documents;

13 (ii) Any changes in the previously approved budget that result in
14 a change in the assessment obligations; and

15 (iii) Any proposal to remove a board member or officer.

16 (d) ~~((The minimum time to provide notice required in (c) of this~~
17 ~~subsection may be reduced or waived for a meeting called to deal with~~
18 ~~an emergency.~~

19 ~~(e))~~ Unit owners must be given a reasonable opportunity at any
20 meeting to comment regarding any matter affecting the common interest
21 community or the association.

22 ~~((f) Except as otherwise restricted by the declaration or~~
23 ~~organizational documents, meetings of unit owners may be conducted by~~
24 ~~telephonic, video, or other conferencing process, if the process is~~
25 ~~consistent with subsection (2)(i) of this section.))~~

26 (e) A meeting of unit owners is not required to be held at a
27 physical location if:

28 (i) The meeting is conducted by a means of communication that
29 enables owners in different locations to communicate in real time to
30 the same extent as if they were physically present in the same
31 location, provided that such means of communication must have an
32 option for owners to communicate by telephone; and

33 (ii) The declaration or organizational documents do not require
34 that the owners meet at a physical location.

35 (f) In the notice for a meeting held at a physical location, the
36 executive board may notify all unit owners that they may participate
37 remotely in the meeting by a means of communication described in (e)
38 of this subsection.

39 (2) The following requirements apply to meetings of the board and
40 committees authorized to act for the board:

1 (a) Meetings must be open to the unit owners except during
2 executive sessions, but the board may expel or prohibit attendance by
3 any person who, after warning by the chair of the meeting, disrupts
4 the meeting. The board and those committees may hold an executive
5 session only during a regular or special meeting of the board or a
6 committee. A final vote or action may not be taken during an
7 executive session.

8 (b) An executive session may be held only to:

9 (i) Consult with the association's attorney concerning legal
10 matters;

11 (ii) Discuss existing or potential litigation or mediation,
12 arbitration, or administrative proceedings;

13 (iii) Discuss labor or personnel matters;

14 (iv) Discuss contracts, leases, and other commercial transactions
15 to purchase or provide goods or services currently being negotiated,
16 including the review of bids or proposals, if premature general
17 knowledge of those matters would place the association at a
18 disadvantage; or

19 (v) Prevent public knowledge of the matter to be discussed if the
20 board or committee determines that public knowledge would violate the
21 privacy of any person.

22 (c) For purposes of this subsection, a gathering of members of
23 the board or committees at which the board or committee members do
24 not conduct association business is not a meeting of the board or
25 committee. Board members and committee members may not use incidental
26 or social gatherings to evade the open meeting requirements of this
27 subsection.

28 (d) During the period of declarant control, the board must meet
29 at least four times a year. At least one of those meetings must be
30 held at the common interest community or at a place convenient to the
31 community. After the transition meeting, all board meetings must be
32 at the common interest community or at a place convenient to the
33 common interest community unless the unit owners amend the bylaws to
34 vary the location of those meetings.

35 (e) At each board meeting, the board must provide a reasonable
36 opportunity for unit owners to comment regarding matters affecting
37 the common interest community and the association.

38 (f) Unless the meeting is included in a schedule given to the
39 unit owners (~~or the meeting is called to deal with an emergency~~),
40 the secretary or other officer specified in the organizational

1 documents must provide notice of each board meeting to each board
2 member and to the unit owners. The notice must be given at least
3 (~~fourteen~~) 14 days before the meeting and must state the time,
4 date, place, and agenda of the meeting.

5 (g) If any materials are distributed to the board before the
6 meeting, the board must make copies of those materials reasonably
7 available to the unit owners, except that the board need not make
8 available copies of unapproved minutes or materials that are to be
9 considered in executive session.

10 (h) Unless the organizational documents provide otherwise, fewer
11 than all board members may participate in a regular or special
12 meeting by or conduct a meeting through the use of any means of
13 communication by which all board members participating can hear each
14 other during the meeting. A board member participating in a meeting
15 by these means is deemed to be present in person at the meeting.

16 (i) Unless the organizational documents provide otherwise, the
17 board may meet by participation of all board members by telephonic,
18 video, or other conferencing process if:

19 (i) The meeting notice states the conferencing process to be used
20 and provides information explaining how unit owners may participate
21 in the conference directly or by meeting at a central location or
22 conference connection; and

23 (ii) The process provides all unit owners the opportunity to hear
24 or perceive the discussion and to comment as provided in (e) of this
25 subsection.

26 (j) After the transition meeting, unit owners may amend the
27 organizational documents to vary the procedures for meetings
28 described in (i) of this subsection.

29 (k) (~~Instead of~~) Prior to the transition meeting, without a
30 meeting, the board may act by unanimous consent as documented in a
31 record by all its members. Actions taken by unanimous consent must be
32 kept as a record of the association with the meeting minutes. After
33 the transition meeting, the board may act by unanimous consent only
34 to undertake ministerial actions, actions subject to ratification by
35 the unit owners, or to implement actions previously taken at a
36 meeting of the board.

37 (l) A board member who is present at a board meeting at which any
38 action is taken is presumed to have assented to the action taken
39 unless the board member's dissent or abstention to such action is
40 lodged with the person acting as the secretary of the meeting before

1 adjournment of the meeting or provided in a record to the secretary
2 of the association immediately after adjournment of the meeting. The
3 right to dissent or abstain does not apply to a board member who
4 voted in favor of such action at the meeting.

5 (m) A board member may not vote by proxy or absentee ballot.

6 (n) Even if an action by the board is not in compliance with this
7 section, it is valid unless set aside by a court. (~~(A challenge to~~
8 ~~the validity of an action of the board for failure)~~) An action
9 seeking relief for failure of the board to comply with this section
10 may not be brought more than (~~(ninety))~~ 90 days after the minutes of
11 the board of the meeting at which the action was taken are approved
12 or the record of that action is distributed to unit owners, whichever
13 is later.

14 (3) Minutes of all unit owner meetings and board meetings,
15 excluding executive sessions, must be maintained in a record. The
16 decision on each matter voted upon at a board meeting or unit owner
17 meeting must be recorded in the minutes.

18 **Sec. 317.** RCW 64.90.455 and 2018 c 277 s 312 are each amended to
19 read as follows:

20 (1) (~~(Unit owners may vote at a meeting in person, by absentee~~
21 ~~ballot pursuant to subsection (3)(d) of this section, or by a proxy~~
22 ~~pursuant to subsection (5) of this section.)) Unit owners may vote at
23 a meeting under subsection (2) or (3) of this section or, when a vote
24 is conducted without a meeting, by ballot in the manner provided in
25 subsection (4) of this section.~~

26 (2) (~~(When a vote is conducted without a meeting, unit owners may~~
27 ~~vote by ballot pursuant to subsection (6) of this section.~~

28 ~~(3))~~ At a meeting of unit owners the following requirements
29 apply:

30 (a) (~~(Unit owners or their proxies who are present in person))~~
31 Unless the declaration or bylaws otherwise provide, unit owners or
32 their proxies may vote by voice vote, show of hands, standing,
33 written ballot, or any other method (~~(for determining the votes of~~
34 ~~unit owners, as designated by the person presiding)) authorized at
35 the meeting.~~

36 (b) (~~(If only one of several unit owners of a unit is present,~~
37 ~~that unit owner is entitled to cast all the votes allocated to that~~
38 ~~unit. If more than one of the unit owners are present, the votes~~
39 ~~allocated to that unit may be cast only in accordance with the~~

1 ~~agreement of a majority in interest of the unit owners, unless the~~
2 ~~declaration expressly provides otherwise. There is a majority~~
3 ~~agreement if any one of the unit owners casts the votes allocated to~~
4 ~~the unit without protest being made promptly to the person presiding~~
5 ~~over the meeting by any of the other unit owners of the unit.)~~ If
6 unit owners attend the meeting by a means of communication under RCW
7 64.90.445(1) (e) or (f), the association shall implement reasonable
8 measures to verify the identity of each unit owner attending
9 remotely.

10 (c) Unless a greater number or fraction of the votes in the
11 association is required under this chapter or the declaration or
12 organizational documents, a majority of the votes cast determines the
13 outcome of any action of the association.

14 (d) Whenever proposals or board members are to be voted upon at a
15 meeting, a unit owner may vote by duly executed absentee ballot if:

16 (i) The name of each candidate and the text of each proposal to
17 be voted upon are set forth in a writing accompanying or contained in
18 the notice of meeting; and

19 (ii) A ballot is provided by the association for such purpose.

20 ~~((4))~~ (e) When a unit owner votes by absentee ballot under (c)
21 of this subsection, the association must be able to verify that the
22 ballot is cast by the unit owner having the right to do so.

23 ~~((5) Except as provided otherwise in))~~ (3) Unless the
24 declaration or organizational documents otherwise provide, unit
25 owners may vote by proxy subject to the following requirements
26 ((apply with respect to proxy voting)):

27 (a) Votes allocated to a unit may be cast pursuant to a directed
28 or undirected proxy duly executed by a unit owner in the same manner
29 as provided in RCW 24.06.110.

30 (b) ~~((If a unit is owned by more than one person, each unit owner~~
31 ~~of the unit may vote or register protest to the casting of votes by~~
32 ~~the other unit owners of the unit through a duly executed proxy.))~~
33 When a unit owner votes by proxy, the association shall implement
34 reasonable measures to verify the identity of the unit owner and the
35 proxy holder.

36 (c) A unit owner may revoke a proxy given pursuant to this
37 section only by actual notice of revocation to the secretary or the
38 person presiding over a meeting of the association or by delivery of
39 a subsequent proxy. The death or disability of a unit owner does not

1 revoke a proxy given by the unit owner unless the person presiding
2 over the meeting has actual notice of the death or disability.

3 (d) A proxy is void if it is not dated or purports to be
4 revocable without notice.

5 (e) Unless stated otherwise in the proxy, a proxy terminates
6 (~~eleven~~) 11 months after its date of issuance.

7 (~~(+6)~~) (4) Unless (~~(prohibited or limited by)~~) the declaration
8 or organizational documents otherwise provide, an association may
9 conduct a vote without a meeting. (~~(In that event, the)~~) The
10 following requirements apply:

11 (a) The association must notify the unit owners that the vote
12 will be taken by ballot without a meeting.

13 (b) The notice under (a) of this subsection must state:

14 (i) The time and date by which a ballot must be delivered to the
15 association to be counted, which may not be fewer than (~~(fourteen)~~)
16 14 days after the date of the notice, and which deadline may be
17 extended in accordance with (g) of this subsection;

18 (ii) (~~The percent of votes necessary to meet the quorum~~
19 ~~requirements;~~

20 ~~(iii)~~) The percent of votes necessary to approve each matter
21 other than election of board members; and

22 (~~(iv)~~) (iii) The time, date, and manner by which unit owners
23 wishing to deliver information to all unit owners regarding the
24 subject of the vote may do so.

25 (c) The association must deliver (~~(a ballot to every unit owner)~~)
26 with the notice under (a) of this subsection:

27 (i) Instructions for casting a ballot;

28 (ii) A paper ballot to every unit owner except a unit owner that
29 has consented in a record to electronic voting; and

30 (iii) If the association allows electronic voting, instructions
31 for electronic voting.

32 (d) The ballot must set forth each proposed action and provide an
33 opportunity to vote for or against the action.

34 (e) A unit owner may revoke a ballot cast pursuant to this
35 section (~~(may be revoked)~~) before the date and time under (b) of this
36 subsection by which the ballot must be delivered to the association
37 only by actual notice to the association of revocation. The death or
38 disability of a unit owner does not revoke a ballot unless the
39 association has actual notice of the death or disability prior to the
40 date set forth in (b)(i) of this subsection.

1 (f) Approval by ballot pursuant to this subsection is valid only
2 if the number of votes cast by ballot equals or exceeds the quorum
3 required to be present at a meeting authorizing the action.

4 (g) If the association does not receive a sufficient number of
5 votes to constitute a quorum or to approve the proposal by the date
6 and time established for return of ballots, the board may extend the
7 deadline for a reasonable period not to exceed (~~eleven~~) 11 months
8 upon further notice to all members in accordance with (b) of this
9 subsection. In that event, all votes previously cast on the proposal
10 must be counted unless subsequently revoked as provided in this
11 section.

12 (h) A ballot or revocation is not effective until received by the
13 association.

14 (i) The association must give notice to unit owners of any action
15 taken pursuant to this subsection within a reasonable time after the
16 action is taken.

17 (j) When an action is taken pursuant to this subsection, a record
18 of the action, including the ballots or a report of the persons
19 appointed to tabulate such ballots, must be kept with the minutes of
20 meetings of the association.

21 (~~(7)~~) (k) The association shall implement reasonable measures
22 to verify that each paper and electronic ballot is cast by the unit
23 owner having a right to do so.

24 (l) A unit owner consents in a record to electronic voting by
25 casting an electronic ballot.

26 (m) An association that allows electronic ballots shall create a
27 record of electronic votes capable of retention, retrieval, and
28 review.

29 (5) If the governing documents require that votes on specified
30 matters affecting the common interest community be cast by lessees
31 rather than unit owners of leased units:

32 (a) This section applies to lessees as if they were unit owners;

33 (b) Unit owners that have leased their units to other persons may
34 not cast votes on those specified matters; and

35 (c) Lessees are entitled to notice of meetings, access to
36 records, and other rights respecting those matters as if they were
37 unit owners.

38 (~~(8)~~) (6) Unit owners must also be given notice(~~(, in the~~
39 ~~manner provided in RCW 64.90.515,)~~) of all meetings at which lessees
40 may be entitled to vote.

1 ~~((9))~~ (7) In any vote of the unit owners, votes allocated to a
2 unit owned by the association must be cast in the same proportion as
3 the votes cast on the matter by unit owners other than the
4 association.

5 (8) (a) Unless a different number or fraction of the votes in an
6 association is required by this chapter or the declaration, a
7 majority of the votes cast determines the outcome of a vote taken at
8 a meeting or without a meeting.

9 (b) If a unit is owned by more than one person and:

10 (i) Only one owner casts a vote, that vote must be counted as
11 casting all votes allocated to the unit by the declaration; and

12 (ii) More than one owner casts a vote for the unit, no vote from
13 any owner of the unit may be counted unless the declaration provides
14 a manner for allocating votes cast by multiple owners of a unit.

15 **Sec. 318.** RCW 64.90.485 and 2023 c 214 s 7 are each amended to
16 read as follows:

17 (1) The association has a statutory lien on each unit for any
18 unpaid assessment against the unit from the time such assessment is
19 due.

20 (2) A lien under this section has priority over all other liens
21 and encumbrances on a unit except:

22 (a) Liens and encumbrances recorded before the recordation of the
23 declaration and, in a cooperative, liens and encumbrances that the
24 association creates, assumes, or takes subject to;

25 (b) Except as otherwise provided in subsection (3) of this
26 section, a security interest on the unit recorded before the date on
27 which the unpaid assessment became due or, in a cooperative, a
28 security interest encumbering only the unit owner's interest and
29 perfected before the date on which the unpaid assessment became due;
30 and

31 (c) Liens for real estate taxes and other state or local
32 governmental assessments or charges against the unit or cooperative.

33 (3) (a) A lien under this section also has priority over the
34 security interests described in subsection (2) (b) of this section to
35 the extent of an amount equal to the following:

36 (i) The common expense assessments, excluding any amounts for
37 capital improvements, based on the periodic budget adopted by the
38 association pursuant to RCW 64.90.480(1), along with any specially
39 allocated assessments that are properly assessable against the unit

1 under such periodic budget, which would have become due in the
2 absence of acceleration during the six months immediately preceding
3 the institution of proceedings to foreclose either the association's
4 lien or a security interest described in subsection (2)(b) of this
5 section;

6 (ii) The association's actual costs and reasonable attorneys'
7 fees incurred in foreclosing its lien but incurred after the giving
8 of the notice described in (a)(iii) of this subsection; provided,
9 however, that the costs and reasonable attorneys' fees that will have
10 priority under this subsection (3)(a)(ii) shall not exceed \$2,000 or
11 an amount equal to the amounts described in (a)(i) of this
12 subsection, whichever is less;

13 (iii) The amounts described in (a)(ii) of this subsection shall
14 be prior only to the security interest of the holder of a security
15 interest on the unit recorded before the date on which the unpaid
16 assessment became due and only if the association has given that
17 holder not less than 60 days' prior written notice that the owner of
18 the unit is in default in payment of an assessment. The notice shall
19 contain:

- 20 (A) Name of the borrower;
- 21 (B) Recording date of the trust deed or mortgage;
- 22 (C) Recording information;
- 23 (D) Name of condominium, unit owner, and unit designation stated
24 in the declaration or applicable supplemental declaration;
- 25 (E) Amount of unpaid assessment; and
- 26 (F) A statement that failure to, within 60 days of the written
27 notice, submit the association payment of six months of assessments
28 as described in (a)(i) of this subsection will result in the priority
29 of the amounts described in (a)(ii) of this subsection; and

30 (iv) Upon payment of the amounts described in (a)(i) and (ii) of
31 this subsection by the holder of a security interest, the
32 association's lien described in this subsection (3)(a) shall
33 thereafter be fully subordinated to the lien of such holder's
34 security interest on the unit.

- 35 (b) For the purposes of this subsection:
 - 36 (i) "Institution of proceedings" means either:
 - 37 (A) The date of recording of a notice of trustee's sale by a deed
38 of trust beneficiary;

1 (B) The date of commencement, pursuant to applicable court rules,
2 of an action for judicial foreclosure either by the association or by
3 the holder of a recorded security interest; or

4 (C) The date of recording of a notice of intention to forfeit in
5 a real estate contract forfeiture proceeding by the vendor under a
6 real estate contract.

7 (ii) "Capital improvements" does not include making, in the
8 ordinary course of management, repairs to common elements or
9 replacements of the common elements with substantially similar items,
10 subject to: (A) Availability of materials and products, (B)
11 prevailing law, or (C) sound engineering and construction standards
12 then prevailing.

13 (c) The adoption of a periodic budget that purports to allocate
14 to a unit any fines, late charges, interest, attorneys' fees and
15 costs incurred for services unrelated to the foreclosure of the
16 association's lien, other collection charges, or specially allocated
17 assessments assessed under RCW 64.90.480 (6) or (7) does not cause
18 any such items to be included in the priority amount affecting such
19 unit.

20 (4) Subsections (2) and (3) of this section do not affect the
21 priority of mechanics' or material suppliers' liens to the extent
22 that law of this state other than chapter 277, Laws of 2018 gives
23 priority to such liens, or the priority of liens for other
24 assessments made by the association.

25 (5) A lien under this section is not subject to chapter 6.13 RCW.

26 (6) If the association forecloses its lien under this section
27 nonjudicially pursuant to chapter 61.24 RCW, as provided under
28 subsection (13) of this section, the association is not entitled to
29 the lien priority provided for under subsection (3) of this section,
30 and is subject to the limitations on deficiency judgments as provided
31 in chapter 61.24 RCW.

32 (7) Unless the declaration provides otherwise, if two or more
33 associations have liens for assessments created at any time on the
34 same property, those liens have equal priority as to each other, and
35 any foreclosure of one such lien shall not affect the lien of the
36 other.

37 (8) Recording of the declaration constitutes record notice and
38 perfection of the statutory lien created under this section. Further
39 notice or recordation of any claim of lien for assessment under this
40 section is not required, but is not prohibited.

1 (9) A lien for unpaid assessments and the personal liability for
2 payment of those assessments are extinguished unless proceedings to
3 enforce the lien or collect the debt are instituted within six years
4 after the full amount of the assessments sought to be recovered
5 becomes due.

6 (10) This section does not prohibit actions against unit owners
7 to recover sums for which subsection (1) of this section creates a
8 lien or prohibit an association from taking a deed in lieu of
9 foreclosure.

10 (11) The association upon written request must furnish to a unit
11 owner or a mortgagee a statement signed by an officer or authorized
12 agent of the association setting forth the amount of unpaid
13 assessments or the priority amount against that unit, or both. The
14 statement must be furnished within 15 days after receipt of the
15 request and is binding on the association, the board, and every unit
16 owner unless, and to the extent, known by the recipient to be false.
17 The liability of a recipient who reasonably relies upon the statement
18 must not exceed the amount set forth in any statement furnished
19 pursuant to this section or RCW 64.90.640(1)(b).

20 (12) In a cooperative, upon nonpayment of an assessment on a
21 unit, the unit owner may be evicted in the same manner as provided by
22 law in the case of an unlawful holdover by a commercial tenant, and
23 the lien may be foreclosed as provided under this section.

24 (13) The association's lien may be foreclosed in accordance with
25 (a) and (b) of this subsection.

26 (a) In a common interest community other than a cooperative, the
27 association's lien may be foreclosed judicially in accordance with
28 chapter 61.12 RCW, subject to any rights of redemption under chapter
29 6.23 RCW.

30 (b) The lien may be enforced nonjudicially in the manner set
31 forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of
32 trust if the declaration: Contains a grant of the common interest
33 community in trust to a trustee qualified under RCW 61.24.010 to
34 secure the obligations of the unit owners to the association for the
35 payment of assessments, contains a power of sale, provides in its
36 terms that the units are not used principally for agricultural
37 purposes, and provides that the power of sale is operative in the
38 case of a default in the obligation to pay assessments. The
39 association or its authorized representative may purchase the unit at
40 the foreclosure sale and acquire, hold, lease, mortgage, or convey

1 the unit. Upon an express waiver in the complaint of any right to a
2 deficiency judgment in a judicial foreclosure action, the period of
3 redemption is eight months.

4 (c) In a cooperative in which the unit owners' interests in the
5 units are real estate, the association's lien must be foreclosed in
6 like manner as a mortgage on real estate or by power of sale under
7 (b) of this subsection.

8 (d) In a cooperative in which the unit owners' interests in the
9 units are personal property, the association's lien must be
10 foreclosed in like manner as a security interest under chapter 62A.9A
11 RCW.

12 (e) No member of the association's board, or their immediate
13 family members or affiliates, are eligible to bid for or purchase,
14 directly or indirectly, any interest in a unit at a foreclosure of
15 the association's lien. For the purposes of this subsection,
16 "immediate family member" includes spouses, domestic partners,
17 children, siblings, parents, parents-in-law, and stepfamily members;
18 and "affiliate" of a board member includes any person controlled by
19 the board member, including any entity in which the board member is a
20 general partner, managing member, majority member, officer, or
21 director. Nothing in this subsection prohibits an association from
22 bidding for or purchasing interest in a unit at a foreclosure of the
23 association's lien.

24 (14) If the unit owner's interest in a unit in a cooperative is
25 real estate, the following requirements apply:

26 (a) The association, upon nonpayment of assessments and
27 compliance with this subsection, may sell that unit at a public sale
28 or by private negotiation, and at any time and place. The association
29 must give to the unit owner and any lessee of the unit owner
30 reasonable notice in a record of the time, date, and place of any
31 public sale or, if a private sale is intended, of the intention of
32 entering into a contract to sell and of the time and date after which
33 a private conveyance may be made. Such notice must also be sent to
34 any other person that has a recorded interest in the unit that would
35 be cut off by the sale, but only if the recorded interest was on
36 record seven weeks before the date specified in the notice as the
37 date of any public sale or seven weeks before the date specified in
38 the notice as the date after which a private sale may be made. The
39 notices required under this subsection may be sent to any address
40 reasonable in the circumstances. A sale may not be held until five

1 weeks after the sending of the notice. The association may buy at any
2 public sale and, if the sale is conducted by a fiduciary or other
3 person not related to the association, at a private sale.

4 (b) Unless otherwise agreed to or as stated in this section, the
5 unit owner is liable for any deficiency in a foreclosure sale.

6 (c) The proceeds of a foreclosure sale must be applied in the
7 following order:

8 (i) The reasonable expenses of sale;

9 (ii) The reasonable expenses of securing possession before sale;
10 the reasonable expenses of holding, maintaining, and preparing the
11 unit for sale, including payment of taxes and other governmental
12 charges and premiums on insurance; and, to the extent provided for by
13 agreement between the association and the unit owner, reasonable
14 attorneys' fees, costs, and other legal expenses incurred by the
15 association;

16 (iii) Satisfaction of the association's lien;

17 (iv) Satisfaction in the order of priority of any subordinate
18 claim of record; and

19 (v) Remittance of any excess to the unit owner.

20 (d) A good-faith purchaser for value acquires the unit free of
21 the association's debt that gave rise to the lien under which the
22 foreclosure sale occurred and any subordinate interest, even though
23 the association or other person conducting the sale failed to comply
24 with this section. The person conducting the sale must execute a
25 conveyance to the purchaser sufficient to convey the unit and stating
26 that it is executed by the person after a foreclosure of the
27 association's lien by power of sale and that the person was empowered
28 to make the sale. Signature and title or authority of the person
29 signing the conveyance as grantor and a recital of the facts of
30 nonpayment of the assessment and of the giving of the notices
31 required under this subsection are sufficient proof of the facts
32 recited and of the authority to sign. Further proof of authority is
33 not required even though the association is named as grantee in the
34 conveyance.

35 (e) At any time before the association has conveyed a unit in a
36 cooperative or entered into a contract for its conveyance under the
37 power of sale, the unit owners or the holder of any subordinate
38 security interest may cure the unit owner's default and prevent sale
39 or other conveyance by tendering the performance due under the
40 security agreement, including any amounts due because of exercise of

1 a right to accelerate, plus the reasonable expenses of proceeding to
2 foreclosure incurred to the time of tender, including reasonable
3 attorneys' fees and costs of the creditor.

4 (15) In an action by an association to collect assessments or to
5 foreclose a lien on a unit under this section, the court may appoint
6 a receiver to collect all sums alleged to be due and owing to a unit
7 owner before commencement or during pendency of the action. The
8 receivership is governed under chapter 7.60 RCW. During pendency of
9 the action, the court may order the receiver to pay sums held by the
10 receiver to the association for any assessments against the unit. The
11 exercise of rights under this subsection by the association does not
12 affect the priority of preexisting liens on the unit.

13 (16) Except as provided in subsection (3) of this section, the
14 holder of a mortgage or other purchaser of a unit who obtains the
15 right of possession of the unit through foreclosure is not liable for
16 assessments or installments of assessments that became due prior to
17 such right of possession. Such unpaid assessments are deemed to be
18 common expenses collectible from all the unit owners, including such
19 mortgagee or other purchaser of the unit. Foreclosure of a mortgage
20 does not relieve the prior unit owner of personal liability for
21 assessments accruing against the unit prior to the date of such sale
22 as provided in this subsection.

23 (17) In addition to constituting a lien on the unit, each
24 assessment is the joint and several obligation of the unit owner of
25 the unit to which the same are assessed as of the time the assessment
26 is due. A unit owner may not exempt himself or herself from liability
27 for assessments. In a voluntary conveyance other than by foreclosure,
28 the grantee of a unit is jointly and severally liable with the
29 grantor for all unpaid assessments against the grantor up to the time
30 of the grantor's conveyance, without prejudice to the grantee's right
31 to recover from the grantor the amounts paid by the grantee. Suit to
32 recover a personal judgment for any delinquent assessment is
33 maintainable in any court of competent jurisdiction without
34 foreclosing or waiving the lien securing such sums.

35 (18) The association may from time to time establish reasonable
36 late charges and a rate of interest to be charged, not to exceed the
37 maximum rate calculated under RCW 19.52.020, on all subsequent
38 delinquent assessments or installments of assessments. If the
39 association does not establish such a rate, delinquent assessments
40 bear interest from the date of delinquency at the maximum rate

1 calculated under RCW 19.52.020 on the date on which the assessments
2 became delinquent.

3 (19) The association is entitled to recover any costs and
4 reasonable attorneys' fees incurred in connection with the collection
5 of delinquent assessments, whether or not such collection activities
6 result in a suit being commenced or prosecuted to judgment. The
7 prevailing party is also entitled to recover costs and reasonable
8 attorneys' fees in such suits, including any appeals, if it prevails
9 on appeal and in the enforcement of a judgment.

10 (20) To the extent not inconsistent with this section, the
11 declaration may provide for such additional remedies for collection
12 of assessments as may be permitted by law.

13 (21)(a) When the association mails to the unit owner by first-
14 class mail the first notice of delinquency for past due assessments
15 to the unit address and to any other address that the owner has
16 provided to the association, the association shall include a first
17 preforeclosure notice that states as follows:

18 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
19 **FROM THE UNIT OWNERS ASSOCIATION TO WHICH YOUR HOME BELONGS.**
20 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**
21 **YOUR HOME.**
22 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
23 to assess your situation and refer you to mediation if you might
24 benefit. **DO NOT DELAY.**
25 **BE CAREFUL** of people who claim they can help you. There are many
26 individuals and businesses that prey upon borrowers in distress.
27 **REFER TO THE CONTACTS BELOW** for sources of assistance.

28 **SEEKING ASSISTANCE**

29 Housing counselors and legal assistance may be available at
30 little or no cost to you. If you would like assistance in determining
31 your rights and opportunities to keep your house, you may contact the
32 following:

33 The statewide foreclosure hotline for assistance and referral to
34 housing counselors recommended by the Housing Finance Commission

35 Telephone: Website:

36 The United States Department of Housing and Urban Development

37 Telephone: Website:

38 The statewide civil legal aid hotline for assistance and
39 referrals to other housing counselors and attorneys

1 Telephone: Website:

2 The association shall obtain the toll-free numbers and website
3 information from the department of commerce for inclusion in the
4 notice.

5 (b) If, when a delinquent account is referred to an association's
6 attorney, the first preforeclosure notice required under (a) of this
7 subsection has not yet been mailed to the unit owner, the association
8 or the association's attorney shall mail the first preforeclosure
9 notice to the unit owner in order to satisfy the requirement in (a)
10 of this subsection.

11 (c) Mailing the first preforeclosure notice pursuant to (a) of
12 this subsection does not satisfy the requirement in subsection
13 (22)(b) of this section to mail a second preforeclosure notice at or
14 after the date that assessments have become past due for at least 90
15 days. The second preforeclosure notice may not be mailed sooner than
16 60 days after the first preforeclosure notice is mailed.

17 (22) An association may not commence an action to foreclose a
18 lien on a unit under this section unless:

19 (a) The unit owner, at the time the action is commenced, owes at
20 least a sum equal to the greater of:

21 (i) Three months or more of assessments, not including fines,
22 late charges, interest, attorneys' fees, or costs incurred by the
23 association in connection with the collection of a delinquent owner's
24 account; or

25 (ii) \$2,000 of assessments, not including fines, late charges,
26 interest, attorneys' fees, or costs incurred by the association in
27 connection with the collection of a delinquent owner's account;

28 (b) At or after the date that assessments have become past due
29 for at least 90 days, but no sooner than 60 days after the first
30 preforeclosure notice required in subsection (21)(a) of this section
31 is mailed, the association has mailed, by first-class mail, to the
32 owner, at the unit address and to any other address which the owner
33 has provided to the association, a second notice of delinquency,
34 which must include a second preforeclosure notice that contains the
35 same information as the first preforeclosure notice provided to the
36 owner pursuant to subsection (21)(a) of this section. The second
37 preforeclosure notice may not be mailed sooner than 60 days after the
38 first preforeclosure notice required in subsection (21)(a) of this
39 section is mailed;

1 (c) At least 180 days have elapsed from the date the minimum
2 amount required in (a) of this subsection has accrued; and

3 (d) The board approves commencement of a foreclosure action
4 specifically against that unit.

5 (23) Every aspect of a collection, foreclosure, sale, or other
6 conveyance under this section, including the method, advertising,
7 time, date, place, and terms, must be commercially reasonable.

8 **Sec. 319.** RCW 64.90.485 and 2023 c 214 s 8 are each amended to
9 read as follows:

10 (1) The association has a statutory lien on each unit for any
11 unpaid assessment against the unit from the time such assessment is
12 due.

13 (2) A lien under this section has priority over all other liens
14 and encumbrances on a unit except:

15 (a) Liens and encumbrances recorded before the recordation of the
16 declaration and, in a cooperative, liens and encumbrances that the
17 association creates, assumes, or takes subject to;

18 (b) Except as otherwise provided in subsection (3) of this
19 section, a security interest on the unit recorded before the date on
20 which the unpaid assessment became due or, in a cooperative, a
21 security interest encumbering only the unit owner's interest and
22 perfected before the date on which the unpaid assessment became due;
23 and

24 (c) Liens for real estate taxes and other state or local
25 governmental assessments or charges against the unit or cooperative.

26 (3)(a) A lien under this section also has priority over the
27 security interests described in subsection (2)(b) of this section to
28 the extent of an amount equal to the following:

29 (i) The common expense assessments, excluding any amounts for
30 capital improvements, based on the periodic budget adopted by the
31 association pursuant to RCW 64.90.480(1), along with any specially
32 allocated assessments that are properly assessable against the unit
33 under such periodic budget, which would have become due in the
34 absence of acceleration during the six months immediately preceding
35 the institution of proceedings to foreclose either the association's
36 lien or a security interest described in subsection (2)(b) of this
37 section;

38 (ii) The association's actual costs and reasonable attorneys'
39 fees incurred in foreclosing its lien but incurred after the giving

1 of the notice described in (a)(iii) of this subsection; provided,
2 however, that the costs and reasonable attorneys' fees that will have
3 priority under this subsection (3)(a)(ii) shall not exceed \$2,000 or
4 an amount equal to the amounts described in (a)(i) of this
5 subsection, whichever is less;

6 (iii) The amounts described in (a)(ii) of this subsection shall
7 be prior only to the security interest of the holder of a security
8 interest on the unit recorded before the date on which the unpaid
9 assessment became due and only if the association has given that
10 holder not less than 60 days' prior written notice that the owner of
11 the unit is in default in payment of an assessment. The notice shall
12 contain:

13 (A) Name of the borrower;

14 (B) Recording date of the trust deed or mortgage;

15 (C) Recording information;

16 (D) Name of condominium, unit owner, and unit designation stated
17 in the declaration or applicable supplemental declaration;

18 (E) Amount of unpaid assessment; and

19 (F) A statement that failure to, within 60 days of the written
20 notice, submit the association payment of six months of assessments
21 as described in (a)(i) of this subsection will result in the priority
22 of the amounts described in (a)(ii) of this subsection; and

23 (iv) Upon payment of the amounts described in (a)(i) and (ii) of
24 this subsection by the holder of a security interest, the
25 association's lien described in this subsection (3)(a) shall
26 thereafter be fully subordinated to the lien of such holder's
27 security interest on the unit.

28 (b) For the purposes of this subsection:

29 (i) "Institution of proceedings" means either:

30 (A) The date of recording of a notice of trustee's sale by a deed
31 of trust beneficiary;

32 (B) The date of commencement, pursuant to applicable court rules,
33 of an action for judicial foreclosure either by the association or by
34 the holder of a recorded security interest; or

35 (C) The date of recording of a notice of intention to forfeit in
36 a real estate contract forfeiture proceeding by the vendor under a
37 real estate contract.

38 (ii) "Capital improvements" does not include making, in the
39 ordinary course of management, repairs to common elements or
40 replacements of the common elements with substantially similar items,

1 subject to: (A) Availability of materials and products, (B)
2 prevailing law, or (C) sound engineering and construction standards
3 then prevailing.

4 (c) The adoption of a periodic budget that purports to allocate
5 to a unit any fines, late charges, interest, attorneys' fees and
6 costs incurred for services unrelated to the foreclosure of the
7 association's lien, other collection charges, or specially allocated
8 assessments assessed under RCW 64.90.480 (6) or (7) does not cause
9 any such items to be included in the priority amount affecting such
10 unit.

11 (4) Subsections (2) and (3) of this section do not affect the
12 priority of mechanics' or material suppliers' liens to the extent
13 that law of this state other than chapter 277, Laws of 2018 gives
14 priority to such liens, or the priority of liens for other
15 assessments made by the association.

16 (5) A lien under this section is not subject to chapter 6.13 RCW.

17 (6) If the association forecloses its lien under this section
18 nonjudicially pursuant to chapter 61.24 RCW, as provided under
19 subsection (13) of this section, the association is not entitled to
20 the lien priority provided for under subsection (3) of this section,
21 and is subject to the limitations on deficiency judgments as provided
22 in chapter 61.24 RCW.

23 (7) Unless the declaration provides otherwise, if two or more
24 associations have liens for assessments created at any time on the
25 same property, those liens have equal priority as to each other, and
26 any foreclosure of one such lien shall not affect the lien of the
27 other.

28 (8) Recording of the declaration constitutes record notice and
29 perfection of the statutory lien created under this section. Further
30 notice or recordation of any claim of lien for assessment under this
31 section is not required, but is not prohibited.

32 (9) A lien for unpaid assessments and the personal liability for
33 payment of those assessments are extinguished unless proceedings to
34 enforce the lien or collect the debt are instituted within six years
35 after the full amount of the assessments sought to be recovered
36 becomes due.

37 (10) This section does not prohibit actions against unit owners
38 to recover sums for which subsection (1) of this section creates a
39 lien or prohibit an association from taking a deed in lieu of
40 foreclosure.

1 (11) The association upon written request must furnish to a unit
2 owner or a mortgagee a statement signed by an officer or authorized
3 agent of the association setting forth the amount of unpaid
4 assessments or the priority amount against that unit, or both. The
5 statement must be furnished within 15 days after receipt of the
6 request and is binding on the association, the board, and every unit
7 owner unless, and to the extent, known by the recipient to be false.
8 The liability of a recipient who reasonably relies upon the statement
9 must not exceed the amount set forth in any statement furnished
10 pursuant to this section or RCW 64.90.640(1)(b).

11 (12) In a cooperative, upon nonpayment of an assessment on a
12 unit, the unit owner may be evicted in the same manner as provided by
13 law in the case of an unlawful holdover by a commercial tenant, and
14 the lien may be foreclosed as provided under this section.

15 (13) The association's lien may be foreclosed in accordance with
16 (a) and (b) of this subsection.

17 (a) In a common interest community other than a cooperative, the
18 association's lien may be foreclosed judicially in accordance with
19 chapter 61.12 RCW, subject to any rights of redemption under chapter
20 6.23 RCW.

21 (b) The lien may be enforced nonjudicially in the manner set
22 forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of
23 trust if the declaration: Contains a grant of the common interest
24 community in trust to a trustee qualified under RCW 61.24.010 to
25 secure the obligations of the unit owners to the association for the
26 payment of assessments, contains a power of sale, provides in its
27 terms that the units are not used principally for agricultural
28 purposes, and provides that the power of sale is operative in the
29 case of a default in the obligation to pay assessments. The
30 association or its authorized representative may purchase the unit at
31 the foreclosure sale and acquire, hold, lease, mortgage, or convey
32 the unit. Upon an express waiver in the complaint of any right to a
33 deficiency judgment in a judicial foreclosure action, the period of
34 redemption is eight months.

35 (c) In a cooperative in which the unit owners' interests in the
36 units are real estate, the association's lien must be foreclosed in
37 like manner as a mortgage on real estate or by power of sale under
38 (b) of this subsection.

39 (d) In a cooperative in which the unit owners' interests in the
40 units are personal property, the association's lien must be

1 foreclosed in like manner as a security interest under chapter 62A.9A
2 RCW.

3 (e) No member of the association's board, or their immediate
4 family members or affiliates, are eligible to bid for or purchase,
5 directly or indirectly, any interest in a unit at a foreclosure of
6 the association's lien. For the purposes of this subsection,
7 "immediate family member" includes spouses, domestic partners,
8 children, siblings, parents, parents-in-law, and stepfamily members;
9 and "affiliate" of a board member includes any person controlled by
10 the board member, including any entity in which the board member is a
11 general partner, managing member, majority member, officer, or
12 director. Nothing in this subsection prohibits an association from
13 bidding for or purchasing interest in a unit at a foreclosure of the
14 association's lien.

15 (14) If the unit owner's interest in a unit in a cooperative is
16 real estate, the following requirements apply:

17 (a) The association, upon nonpayment of assessments and
18 compliance with this subsection, may sell that unit at a public sale
19 or by private negotiation, and at any time and place. The association
20 must give to the unit owner and any lessee of the unit owner
21 reasonable notice in a record of the time, date, and place of any
22 public sale or, if a private sale is intended, of the intention of
23 entering into a contract to sell and of the time and date after which
24 a private conveyance may be made. Such notice must also be sent to
25 any other person that has a recorded interest in the unit that would
26 be cut off by the sale, but only if the recorded interest was on
27 record seven weeks before the date specified in the notice as the
28 date of any public sale or seven weeks before the date specified in
29 the notice as the date after which a private sale may be made. The
30 notices required under this subsection may be sent to any address
31 reasonable in the circumstances. A sale may not be held until five
32 weeks after the sending of the notice. The association may buy at any
33 public sale and, if the sale is conducted by a fiduciary or other
34 person not related to the association, at a private sale.

35 (b) Unless otherwise agreed to or as stated in this section, the
36 unit owner is liable for any deficiency in a foreclosure sale.

37 (c) The proceeds of a foreclosure sale must be applied in the
38 following order:

39 (i) The reasonable expenses of sale;

1 (ii) The reasonable expenses of securing possession before sale;
2 the reasonable expenses of holding, maintaining, and preparing the
3 unit for sale, including payment of taxes and other governmental
4 charges and premiums on insurance; and, to the extent provided for by
5 agreement between the association and the unit owner, reasonable
6 attorneys' fees, costs, and other legal expenses incurred by the
7 association;

8 (iii) Satisfaction of the association's lien;

9 (iv) Satisfaction in the order of priority of any subordinate
10 claim of record; and

11 (v) Remittance of any excess to the unit owner.

12 (d) A good-faith purchaser for value acquires the unit free of
13 the association's debt that gave rise to the lien under which the
14 foreclosure sale occurred and any subordinate interest, even though
15 the association or other person conducting the sale failed to comply
16 with this section. The person conducting the sale must execute a
17 conveyance to the purchaser sufficient to convey the unit and stating
18 that it is executed by the person after a foreclosure of the
19 association's lien by power of sale and that the person was empowered
20 to make the sale. Signature and title or authority of the person
21 signing the conveyance as grantor and a recital of the facts of
22 nonpayment of the assessment and of the giving of the notices
23 required under this subsection are sufficient proof of the facts
24 recited and of the authority to sign. Further proof of authority is
25 not required even though the association is named as grantee in the
26 conveyance.

27 (e) At any time before the association has conveyed a unit in a
28 cooperative or entered into a contract for its conveyance under the
29 power of sale, the unit owners or the holder of any subordinate
30 security interest may cure the unit owner's default and prevent sale
31 or other conveyance by tendering the performance due under the
32 security agreement, including any amounts due because of exercise of
33 a right to accelerate, plus the reasonable expenses of proceeding to
34 foreclosure incurred to the time of tender, including reasonable
35 attorneys' fees and costs of the creditor.

36 (15) In an action by an association to collect assessments or to
37 foreclose a lien on a unit under this section, the court may appoint
38 a receiver to collect all sums alleged to be due and owing to a unit
39 owner before commencement or during pendency of the action. The
40 receivership is governed under chapter 7.60 RCW. During pendency of

1 the action, the court may order the receiver to pay sums held by the
2 receiver to the association for any assessments against the unit. The
3 exercise of rights under this subsection by the association does not
4 affect the priority of preexisting liens on the unit.

5 (16) Except as provided in subsection (3) of this section, the
6 holder of a mortgage or other purchaser of a unit who obtains the
7 right of possession of the unit through foreclosure is not liable for
8 assessments or installments of assessments that became due prior to
9 such right of possession. Such unpaid assessments are deemed to be
10 common expenses collectible from all the unit owners, including such
11 mortgagee or other purchaser of the unit. Foreclosure of a mortgage
12 does not relieve the prior unit owner of personal liability for
13 assessments accruing against the unit prior to the date of such sale
14 as provided in this subsection.

15 (17) In addition to constituting a lien on the unit, each
16 assessment is the joint and several obligation of the unit owner of
17 the unit to which the same are assessed as of the time the assessment
18 is due. A unit owner may not exempt himself or herself from liability
19 for assessments. In a voluntary conveyance other than by foreclosure,
20 the grantee of a unit is jointly and severally liable with the
21 grantor for all unpaid assessments against the grantor up to the time
22 of the grantor's conveyance, without prejudice to the grantee's right
23 to recover from the grantor the amounts paid by the grantee. Suit to
24 recover a personal judgment for any delinquent assessment is
25 maintainable in any court of competent jurisdiction without
26 foreclosing or waiving the lien securing such sums.

27 (18) The association may from time to time establish reasonable
28 late charges and a rate of interest to be charged, not to exceed the
29 maximum rate calculated under RCW 19.52.020, on all subsequent
30 delinquent assessments or installments of assessments. If the
31 association does not establish such a rate, delinquent assessments
32 bear interest from the date of delinquency at the maximum rate
33 calculated under RCW 19.52.020 on the date on which the assessments
34 became delinquent.

35 (19) The association is entitled to recover any costs and
36 reasonable attorneys' fees incurred in connection with the collection
37 of delinquent assessments, whether or not such collection activities
38 result in a suit being commenced or prosecuted to judgment. The
39 prevailing party is also entitled to recover costs and reasonable

1 attorneys' fees in such suits, including any appeals, if it prevails
2 on appeal and in the enforcement of a judgment.

3 (20) To the extent not inconsistent with this section, the
4 declaration may provide for such additional remedies for collection
5 of assessments as may be permitted by law.

6 (21)(a) When the association mails to the unit owner by first-
7 class mail the first notice of delinquency for past due assessments
8 to the unit address and to any other address that the owner has
9 provided to the association, the association shall include a first
10 preforeclosure notice that states as follows:

11 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
12 **FROM THE UNIT OWNERS ASSOCIATION TO WHICH YOUR HOME BELONGS.**
13 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**
14 **YOUR HOME.**
15 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
16 **to assess your situation and refer you to mediation if you might**
17 **benefit. DO NOT DELAY.**
18 **BE CAREFUL** of people who claim they can help you. There are many
19 individuals and businesses that prey upon borrowers in distress.
20 **REFER TO THE CONTACTS BELOW** for sources of assistance.

21 **SEEKING ASSISTANCE**

22 Housing counselors and legal assistance may be available at
23 little or no cost to you. If you would like assistance in determining
24 your rights and opportunities to keep your house, you may contact the
25 following:

26 The statewide foreclosure hotline for assistance and referral to
27 housing counselors recommended by the Housing Finance Commission

28 Telephone: Website:

29 The United States Department of Housing and Urban Development

30 Telephone: Website:

31 The statewide civil legal aid hotline for assistance and
32 referrals to other housing counselors and attorneys

33 Telephone: Website:

34 The association shall obtain the toll-free numbers and website
35 information from the department of commerce for inclusion in the
36 notice.

37 (b) If, when a delinquent account is referred to an association's
38 attorney, the first preforeclosure notice required under (a) of this
39 subsection has not yet been mailed to the unit owner, the association

1 or the association's attorney shall mail the first preforeclosure
2 notice to the unit owner in order to satisfy the requirement in (a)
3 of this subsection.

4 (c) Mailing the first preforeclosure notice pursuant to (a) of
5 this subsection does not satisfy the requirement in subsection
6 (22)(b) of this section to mail a second preforeclosure notice at or
7 after the date that assessments have become past due for at least 90
8 days. The second preforeclosure notice may not be mailed sooner than
9 60 days after the first preforeclosure notice is mailed.

10 (22) An association may not commence an action to foreclose a
11 lien on a unit under this section unless:

12 (a) The unit owner, at the time the action is commenced, owes at
13 least a sum equal to the greater of:

14 (i) Three months or more of assessments, not including fines,
15 late charges, interest, attorneys' fees, or costs incurred by the
16 association in connection with the collection of a delinquent owner's
17 account; or

18 (ii) \$2,000 of assessments, not including fines, late charges,
19 interest, attorneys' fees, or costs incurred by the association in
20 connection with the collection of a delinquent owner's account;

21 (b) At or after the date that assessments have become past due
22 for at least 90 days, but no sooner than 60 days after the first
23 preforeclosure notice required in subsection (21)(a) of this section
24 is mailed, the association has mailed, by first-class mail, to the
25 owner, at the unit address and to any other address which the owner
26 has provided to the association, a second notice of delinquency,
27 which must include a second preforeclosure notice that contains the
28 same information as the first preforeclosure notice provided to the
29 owner pursuant to subsection (21)(a) of this section. The second
30 preforeclosure notice may not be mailed sooner than 60 days after the
31 first preforeclosure notice required in subsection (21)(a) of this
32 section is mailed;

33 (c) At least 90 days have elapsed from the date the minimum
34 amount required in (a) of this subsection has accrued; and

35 (d) The board approves commencement of a foreclosure action
36 specifically against that unit.

37 (23) Every aspect of a collection, foreclosure, sale, or other
38 conveyance under this section, including the method, advertising,
39 time, date, place, and terms, must be commercially reasonable.

1 **Sec. 320.** RCW 64.90.495 and 2023 c 409 s 4 are each amended to
2 read as follows:

3 (1) An association must retain the following:

4 (a) The current budget, detailed records of receipts and
5 expenditures affecting the operation and administration of the
6 association, and other appropriate accounting records within the last
7 seven years;

8 (b) Minutes of all meetings of its unit owners and board other
9 than executive sessions, a record of all actions taken by the unit
10 owners or board without a meeting, and a record of all actions taken
11 by a committee in place of the board on behalf of the association;

12 (c) The names of current unit owners, addresses used by the
13 association to communicate with them, and the number of votes
14 allocated to each unit;

15 (d) Its original or restated declaration, organizational
16 documents, all amendments to the declaration and organizational
17 documents, and all rules currently in effect;

18 (e) All financial statements and tax returns of the association
19 for the past seven years;

20 (f) A list of the names and addresses of its current board
21 members and officers;

22 (g) Its most recent annual report delivered to the secretary of
23 state, if any;

24 (h) Financial and other records sufficiently detailed to enable
25 the association to comply with RCW 64.90.640;

26 (i) Copies of contracts to which it is or was a party within the
27 last seven years;

28 (j) Materials relied upon by the board or any committee to
29 approve or deny any requests for design or architectural approval for
30 a period of seven years after the decision is made;

31 (k) Materials relied upon by the board or any committee
32 concerning a decision to enforce the governing documents for a period
33 of seven years after the decision is made;

34 (l) Copies of insurance policies under which the association is a
35 named insured;

36 (m) Any current warranties provided to the association;

37 (n) Copies of all notices provided to unit owners or the
38 association in accordance with this chapter or the governing
39 documents; (~~and~~)

1 (o) Ballots, proxies, absentee ballots, and other records related
2 to voting by unit owners for one year after the election, action, or
3 vote to which they relate;

4 (p) Originals or copies of any plans and specifications delivered
5 by the declarant pursuant to RCW 64.90.420(1);

6 (q) Originals or copies of any instruments of conveyance for any
7 common elements included within the common interest community but not
8 appurtenant to the units delivered by the declarant pursuant to RCW
9 64.90.420(1); and

10 (r) Originals or copies of any permits or certificates of
11 occupancy for the common elements in the common interest community
12 delivered by the declarant pursuant to RCW 64.90.420(1).

13 (2) (a) Subject to subsections (3) through (5) of this section,
14 and except as provided in (b) of this subsection, all records
15 required to be retained by an association must be made available for
16 examination and copying by all unit owners, holders of mortgages on
17 the units, and their respective authorized agents as follows, unless
18 agreed otherwise:

19 (i) During reasonable business hours or at a mutually convenient
20 time and location; and

21 (ii) At the offices of the association or its managing agent.

22 (b) The list of unit owners required to be retained by an
23 association under subsection (1)(c) of this section is not required
24 to ~~((be))~~;

25 (i) Be made available for examination and copying by holders of
26 mortgages on the units; or

27 (ii) Contain the electronic addresses of unit owners who have
28 elected to keep such addresses confidential pursuant to RCW
29 64.90.515(3)(a).

30 (3) Records retained by an association must have the following
31 information redacted or otherwise removed prior to disclosure:

32 (a) Personnel and medical records relating to specific
33 individuals;

34 (b) Contracts, leases, and other commercial transactions to
35 purchase or provide goods or services currently being negotiated;

36 (c) Existing or potential litigation or mediation, arbitration,
37 or administrative proceedings;

38 (d) Existing or potential matters involving federal, state, or
39 local administrative or other formal proceedings before a
40 governmental tribunal for enforcement of the governing documents;

1 (e) Legal advice or communications that are otherwise protected
2 by the attorney-client privilege or the attorney work product
3 doctrine, including communications with the managing agent or other
4 agent of the association;

5 (f) Information the disclosure of which would violate a court
6 order or law;

7 (g) Records of an executive session of the board;

8 (h) Individual unit files other than those of the requesting unit
9 owner;

10 (i) Unlisted telephone number or electronic address of any unit
11 owner or resident;

12 (j) Security access information provided to the association for
13 emergency purposes; or

14 (k) Agreements that for good cause prohibit disclosure to the
15 members.

16 (4) In addition to the requirements in subsection (3) of this
17 section, an association must, prior to disclosure of the list of unit
18 owners required to be retained by an association under subsection
19 (1)(c) of this section, redact or otherwise remove the address of any
20 unit owner or resident who is known to the association to be a
21 participant in the address confidentiality program described in
22 chapter 40.24 RCW or any similar program established by law.

23 (5)(a) Except as provided in (b) of this subsection, an
24 association may charge a reasonable fee for producing and providing
25 copies of any records under this section and for supervising the unit
26 owner's inspection.

27 (b) A unit owner is entitled to receive a free annual electronic
28 or paper copy of the list retained under subsection (1)(c) of this
29 section from the association.

30 (6) A right to copy records under this section includes the right
31 to receive copies by photocopying or other means, including through
32 an electronic transmission if available upon request by the unit
33 owner.

34 (7) An association is not obligated to compile or synthesize
35 information.

36 (8) Information provided pursuant to this section may not be used
37 for commercial purposes.

38 (9) An association's managing agent must deliver all of the
39 association's original books and records and digital copies thereof,
40 if any, to the association (~~immediately upon~~) within five business

1 days of termination of its management relationship with the
2 association, or upon such other demand as is made by the board. An
3 association managing agent may keep copies of the association records
4 at its own expense.

5 NEW SECTION. **Sec. 321.** A new section is added to chapter 64.90
6 RCW to read as follows:

7 (1) In this section, "emergency" means:

8 (a) A state of emergency declared by a government for an area
9 that includes the common interest community; or

10 (b) An event or condition that constitutes an imminent:

11 (i) Threat to the health or safety of the public or residents of
12 the common interest community;

13 (ii) Threat to the habitability of units; or

14 (iii) Risk of substantial economic loss to the association.

15 (2) In an emergency, this section governs the authority of a
16 board to respond to the emergency. If another provision of this
17 chapter is inconsistent with this section, this section prevails.

18 (3) The board may call a unit owner's meeting to respond to an
19 emergency by giving notice to the unit owners in a manner that is
20 practicable and appropriate under the circumstances.

21 (4) The board may call a board meeting to respond to an emergency
22 by giving notice to the unit owners and board members in a manner
23 that is practicable and appropriate under the circumstances. A quorum
24 is not required for a meeting under this subsection. After giving
25 notice under this subsection, the board may take action by vote
26 without a meeting.

27 (5) In an emergency, the board may, without regard to limitations
28 in the governing documents, take action it considers necessary to
29 protect the interests of the unit owners and other persons holding
30 interests in the common interest community, acting in a manner
31 reasonable under the circumstances.

32 (6) If, under subsection (5) of this section, the board
33 determines by a two-thirds vote that a special assessment is
34 necessary:

35 (a) The assessment becomes effective immediately or in accordance
36 with the terms of the vote; and

37 (b) The board may spend funds paid on the assessment only in
38 accordance with the action taken by the board.

1 (7) The board may use funds of the association, including
2 reserves, to pay the reasonable costs of an action under subsection
3 (5) of this section.

4 (8) After taking an action under this section, the board shall
5 promptly notify the unit owners of the action in a manner that is
6 practicable and appropriate under the circumstances.

7 **Sec. 322.** RCW 64.90.510 and 2018 c 277 s 323 are each amended to
8 read as follows:

9 (1) An association may not prohibit display of the flag of the
10 United States, or the flag of Washington state, on or within a unit
11 or a limited common element, except that an association may adopt
12 reasonable restrictions pertaining to the time, place, or manner of
13 displaying the flag of the United States necessary to protect a
14 substantial interest of the association. For purposes of this
15 section, "flag of the United States" means the flag of the United
16 States as described in 4 U.S.C. Sec. 1 et seq. that is made of
17 fabric, cloth, or paper. "Flag of the United States" does not mean a
18 flag, depiction, or emblem made of lights, paint, roofing, siding,
19 paving materials, flora, or balloons, or of any similar building,
20 landscaping, or decorative components.

21 (2) The association may not prohibit display of signs regarding
22 candidates for public or association office, or ballot issues, on or
23 within a unit or limited common element, but the association may
24 adopt rules governing the time, place, size, number, and manner of
25 those displays.

26 (3) The association may not prohibit the installation of a solar
27 energy panel on or within a unit so long as the solar panel:

28 (a) Meets applicable health and safety standards and requirements
29 imposed by state and local permitting authorities;

30 (b) If used to heat water, is certified by the solar rating
31 certification corporation or another nationally recognized
32 certification agency. Certification must be for the solar energy
33 panel and for installation; and

34 (c) If used to produce electricity, meets all applicable safety
35 and performance standards established by the national electric code,
36 the institute of electrical and electronics engineers, accredited
37 testing laboratories, such as underwriters laboratories, and, where
38 applicable, rules of the utilities and transportation commission
39 regarding safety and reliability.

1 (4) The association may not prohibit a unit owner from storing
2 containers for municipal or private collection, such as compost,
3 garbage, and recycling receptacles, in any private garage, side yard,
4 or backyard reserved for the exclusive use of a unit. However, the
5 association may adopt and enforce rules requiring that such
6 receptacles be screened from view and establishing acceptable dates
7 and times that such receptacles may be presented for collection.

8 (5) The governing documents may:

9 (a) Prohibit the visibility of any part of a roof-mounted solar
10 energy panel above the roof line;

11 (b) Permit the attachment of a solar energy panel to the slope of
12 a roof facing a street only if:

13 (i) The solar energy panel conforms to the slope of the roof; and

14 (ii) The top edge of the solar energy panel is parallel to the
15 roof ridge; and

16 (c) Require:

17 (i) A solar energy panel frame, a support bracket, or any visible
18 piping or wiring to be painted to coordinate with the roofing
19 material;

20 (ii) A unit owner or resident to shield a ground-mounted solar
21 energy panel if shielding the panel does not prohibit economic
22 installation of the solar energy panel or degrade the operational
23 performance quality of the solar energy panel by more than ~~((ten))~~ 10
24 percent; and

25 (iii) Unit owners or residents who install solar energy panels to
26 indemnify or reimburse the association or its members for loss or
27 damage caused by the installation, maintenance, or use of a solar
28 energy panel.

29 ~~((+5+))~~ (6) The governing documents may include other reasonable
30 rules regarding the placement and manner of a solar energy panel.

31 ~~((+6+))~~ (7) For purposes of this section, "solar energy panel"
32 means a panel device or system or combination of panel devices or
33 systems that relies on direct sunlight as an energy source, including
34 a panel device or system or combination of panel devices or systems
35 that collects sunlight for use in:

36 (a) The heating or cooling of a structure or building;

37 (b) The heating or pumping of water;

38 (c) Industrial, commercial, or agricultural processes; or

39 (d) The generation of electricity.

1 (~~(7)~~) (8) This section must not be construed to permit
2 installation by a unit owner of a solar panel on or in common
3 elements without approval of the board.

4 (~~(8)~~) (9) Unit owners may peacefully assemble on the common
5 elements to consider matters related to the common interest
6 community, but the association may adopt rules governing the time,
7 place, and manner of those assemblies.

8 (~~(9)~~) (10) An association may adopt rules that affect the use
9 or occupancy of or behavior in units that may be used for residential
10 purposes, only to:

11 (a) Implement a provision of the declaration;

12 (b) Regulate any behavior in or occupancy of a unit that violates
13 the declaration or adversely affects the use and enjoyment of other
14 units or the common elements by other occupants; and

15 (c) Restrict the leasing of residential units to the extent those
16 rules are reasonably designed to meet underwriting requirements of
17 institutional lenders that regularly make loans secured by first
18 mortgages on units in comparable common interest communities or that
19 regularly purchase those mortgages.

20 **Sec. 323.** RCW 64.90.515 and 2018 c 277 s 324 are each amended to
21 read as follows:

22 (1) Notice to the association, board, or any owner or occupant of
23 a unit under this chapter must be provided in the form of a record.

24 (2) Notice provided in a tangible medium may be transmitted by
25 mail, private carrier, or personal delivery; telegraph or teletype;
26 or telephone, wire, or wireless equipment that transmits a facsimile
27 of the notice.

28 (a) Notice in a tangible medium to an association may be
29 addressed to the association's registered agent at its registered
30 office, to the association at its principal office shown in its most
31 recent annual report or provided by notice to the unit owners, or to
32 the president or secretary of the association at the address shown in
33 the association's most recent annual report or provided by notice to
34 the unit owners.

35 (b) Notice in a tangible medium to a unit owner or occupant must
36 be addressed to the unit address unless the unit owner or occupant
37 has requested, in a record delivered to the association, that notices
38 be sent to an alternate address or by other method allowed by this
39 section and the governing documents.

1 (3) Notice may be provided in an electronic transmission as
2 follows:

3 (a) Notice to unit owners or board members by electronic
4 transmission is effective only upon unit owners and board members who
5 have consented, in the form of a record, to receive electronically
6 transmitted notices under this chapter and have designated in the
7 consent the address, location, or system to which such notices may be
8 electronically transmitted, provided that such notice otherwise
9 complies with any other requirements of this chapter and applicable
10 law. An owner's consent under this subsection (3)(a), and any other
11 notice in the form of a record delivered to the association from time
12 to time, may indicate whether the owner elects to keep the owner's
13 electronic address confidential and exempt from disclosure by the
14 association pursuant to RCW 64.90.495(2). Failure to deliver such
15 notice permits disclosure by the association.

16 (b) Notice to unit owners or board members under this subsection
17 includes material that this chapter or the governing documents
18 requires or permits to accompany the notice.

19 (c) A unit owner or board member who has consented to receipt of
20 electronically transmitted notices may revoke this consent by
21 delivering a revocation to the association in the form of a record.

22 (d) The consent of any unit owner or board member is revoked if:
23 The association is unable to electronically transmit two consecutive
24 notices given by the association in accordance with the consent, and
25 this inability becomes known to the secretary of the association or
26 any other person responsible for giving the notice. The inadvertent
27 failure by the association to treat this inability as a revocation
28 does not invalidate any meeting or other action.

29 (e) Notice to unit owners or board members who have consented to
30 receipt of electronically transmitted notices may be provided by
31 posting the notice on an electronic network and delivering to the
32 unit owner or board member a separate record of the posting, together
33 with comprehensible instructions regarding how to obtain access to
34 the posting on the electronic network.

35 (f) Notice to an association in an electronic transmission is
36 effective only with respect to an association that has designated in
37 a record an address, location, or system to which the notices may be
38 electronically transmitted.

39 (4) Notice may be given by any other method reasonably calculated
40 to provide notice to the recipient.

1 (5) Notice is effective as follows:

2 (a) Notice provided in a tangible medium is effective as of the
3 date of hand delivery, deposit with the carrier, or when sent by fax.

4 (b) Notice provided in an electronic transmission is effective as
5 of the date it:

6 (i) Is electronically transmitted to an address, location, or
7 system designated by the recipient for that purpose; or

8 (ii) Has been posted on an electronic network and a separate
9 record of the posting has been sent to the recipient containing
10 instructions regarding how to obtain access to the posting on the
11 electronic network.

12 (6) The ineffectiveness of a good faith effort to deliver notice
13 by an authorized means does not invalidate action taken at or without
14 a meeting.

15 (7) If this chapter prescribes different or additional notice
16 requirements for particular circumstances, those requirements govern.

17 **Sec. 324.** RCW 64.90.570 and 2023 c 203 s 4 are each amended to
18 read as follows:

19 (1) A unit owners association may not adopt or enforce a
20 restriction, covenant, condition, bylaw, rule, (~~regulation,~~)
21 provision of a governing document, or master deed provision that
22 effectively prohibits(~~)~~ or unreasonably restricts(~~, or limits,~~
23 ~~directly or indirectly,~~) the use of a unit as a licensed family home
24 child care operated by a family day care provider or as a licensed
25 child day care center, except as provided in subsection (2) of this
26 section.

27 (2)(a) Nothing in this section prohibits a unit owners
28 association from imposing reasonable (~~regulations~~) rules on a
29 family home child care or a child day care center including, but not
30 limited to, architectural standards, as long as those (~~regulations~~)
31 rules are identical to those applied to all other units (~~within the~~
32 ~~same association~~) restricted to similar uses within the same common
33 interest community as the family home child care or the child day
34 care center.

35 (b) An association may require that only a unit with direct
36 access may be used as a family home child care or child day care
37 center. (~~Direct access must be either from the outside of the~~
38 ~~building if the common interest community is in a building,~~) A unit

1 has direct access if it is accessible from public property or through
2 publicly accessible common elements.

3 (c) An association may adopt or enforce a restriction, covenant,
4 condition, bylaw, rule, (~~(regulation,)~~) provision of a governing
5 document, or master deed provision that requires a family home child
6 care or a child day care center operating out of a unit within the
7 association to:

8 (i) Be licensed under chapter 43.216 RCW;

9 (ii) Indemnify and hold harmless the association against all
10 claims, whether brought by judicial or administrative action,
11 relating to the operation of the family home child care or the child
12 day care center, excluding claims arising (~~(in)~~) from the condition
13 of a common element(s) that the association is solely responsible
14 for maintaining (~~(under the governing documents)~~);

15 (iii) Obtain a signed waiver of liability releasing the
16 association from legal claims directly related to the operation of
17 the family home child care or the child day care center from the
18 parent, guardian, or caretaker of each child being cared for by the
19 family home child care or the child day care center. However, an
20 association may not require that a waiver of liability under this
21 subsection be notarized; (~~(and)~~)

22 (iv) Obtain day care insurance as defined in RCW 48.88.020 or
23 provide self-insurance pursuant to chapter 48.90 RCW, consistent with
24 the requirements in RCW 43.216.700; and

25 (v) Pay any costs or expenses, including insurance costs, arising
26 from the operation of the facility.

27 (3) A unit owners association that willfully violates this
28 section is liable to the family day care provider or the child day
29 care center for actual damages, and shall pay a civil penalty to the
30 family day care provider or the child day care center in an amount
31 not to exceed \$1,000.

32 (4) For the purposes of this section, the terms "family day care
33 provider" and "child day care center" have the same meanings as in
34 RCW 43.216.010.

35 NEW SECTION. Sec. 325. A new section is added to chapter 64.90
36 RCW to read as follows:

37 (1) A unit owners association may not adopt or enforce a
38 restriction, covenant, condition, bylaw, rule, provision of a
39 governing document, or master deed provision that effectively

1 prohibits or unreasonably restricts the use of a unit as an adult
2 family home, except as provided in subsection (2) of this section.

3 (2) (a) Nothing in this section prohibits a unit owners
4 association from imposing reasonable rules on an adult family home
5 including, but not limited to, architectural standards, as long as
6 those rules are identical to those applied to all other units
7 restricted to similar uses within the same common interest community
8 as an adult family home.

9 (b) An association may require that only a unit with direct
10 access may be used as an adult family home. A unit has direct access
11 if it is accessible from public property or through publicly
12 accessible common elements.

13 (c) An association may adopt or enforce a restriction, covenant,
14 condition, bylaw, rule, provision of a governing document, or master
15 deed provision that requires an adult family home operating out of a
16 unit within the association to:

17 (i) Be licensed under chapter 70.128 RCW;

18 (ii) Indemnify and hold harmless the association against all
19 claims, whether brought by judicial or administrative action,
20 relating to the operation of the adult family home, excluding claims
21 arising from the condition of a common element that the association
22 is solely responsible for maintaining;

23 (iii) Obtain a signed waiver of liability releasing the
24 association from legal claims directly related to the operation of an
25 adult family home from each resident, or resident's guardian, being
26 cared for by the adult family home. However, an association may not
27 require that a waiver of liability under this subsection be
28 notarized;

29 (iv) Obtain liability insurance as required by rule of the
30 department of social and health services; and

31 (v) Pay any costs or expenses, including insurance costs, arising
32 from the operation of the facility.

33 (3) A unit owners association that willfully violates this
34 section is liable to the adult family home for actual damages, and
35 shall pay a civil penalty to the adult family home in an amount not
36 to exceed \$1,000.

37 (4) For the purposes of this section, "adult family home" has the
38 same meaning as in RCW 70.128.010.

1 **Sec. 326.** RCW 64.90.605 and 2023 c 337 s 7 are each amended to
2 read as follows:

3 (1) Except as (~~provided~~) otherwise provided in subsection (2)
4 of this section, a declarant (~~required to deliver a public offering~~
5 ~~statement pursuant to subsection (3) of this section must~~), before
6 offering any interest in a unit to the public, shall prepare a public
7 offering statement conforming to the requirements of RCW 64.90.610,
8 64.90.615, and 64.90.620.

9 (2) A declarant may transfer responsibility for preparation of
10 all or a part of the public offering statement to a successor
11 declarant or to a dealer who intends to offer units in the common
12 interest community. In the event of any such transfer the transferor
13 shall provide the transferee with any information necessary to enable
14 the transferee to fulfill the requirements of subsection (1) of this
15 section.

16 (3) (a) Any declarant or dealer who offers (~~to convey~~) a unit
17 (~~for the person's own account~~) to a purchaser (~~must provide the~~
18 ~~purchaser of the unit with a copy of~~) shall deliver a public
19 offering statement (~~and all material amendments to the public~~
20 ~~offering statement before conveyance of that unit~~) in the manner
21 prescribed in RCW 64.90.635.

22 (b) Any agent, attorney, or other person assisting the declarant
23 or dealer in preparing the public offering statement may rely upon
24 information provided by the declarant or dealer without independent
25 investigation. The agent, attorney, or other person is not liable for
26 any material misrepresentation in or omissions of material facts from
27 the public offering statement unless the person had actual knowledge
28 of the misrepresentation or omission at the time the public offering
29 statement was prepared.

30 (c) The declarant or dealer who prepared all or part of the
31 public offering statement is liable for any misrepresentation
32 contained in the public offering statement or for any omission of
33 material fact from the public offering statement if the declarant or
34 dealer had actual knowledge of the misrepresentation or omission or,
35 in the exercise of reasonable care, should have known of the
36 misrepresentation or omission.

37 (4) If a unit is part of a common interest community and is part
38 of any other real estate regime in connection with the sale of which
39 the delivery of a public offering statement is required under the
40 laws of this state, a single public offering statement conforming to

1 the requirements of RCW 64.90.610, 64.90.615, and 64.90.620 as those
2 requirements relate to each regime in which the unit is located, and
3 to any other requirements imposed under the laws of this state, may
4 be prepared and delivered in lieu of providing two or more public
5 offering statements.

6 (5) A declarant or dealer is not required to (~~prepare and~~)
7 deliver a public offering statement in connection with the sale of
8 any unit (~~owned by the declarant~~), or to obtain for or provide to
9 the purchaser a report or statement required under RCW
10 64.90.610(1)(oo), 64.90.620(1), or 64.90.655, upon the later of:

11 (a) The termination or expiration of all special declarant
12 rights;

13 (b) The expiration of all periods within which claims or actions
14 for a breach of warranty arising from defects involving the common
15 elements under RCW 64.90.680 must be filed or commenced,
16 respectively, by the association against the declarant; or

17 (c) The time when the declarant or dealer ceases to meet the
18 definition of a dealer under RCW 64.90.010.

19 (6) After the last to occur of any of the events described in
20 subsection (5) of this section, a declarant or dealer must deliver to
21 the purchaser of a unit (~~owned by the declarant~~) a resale
22 certificate under RCW 64.90.640(2) together with:

23 (a) The identification of any real property not in the common
24 interest community that unit owners have a right to use and a
25 description of the terms of such use;

26 (b) A brief description or a copy of any express construction
27 warranties to be provided to the purchaser;

28 (c) A statement of any litigation brought by an owners'
29 association, unit owner, or governmental entity in which the
30 declarant or dealer or any affiliate of the declarant or dealer has
31 been a defendant arising out of the construction, sale, or
32 administration of any common interest community within the state of
33 Washington within the previous five years, together with the results
34 of the litigation, if known;

35 (d) Whether timesharing is permitted or prohibited, and, if
36 permitted, a statement that the purchaser of a timeshare unit is
37 entitled to receive the disclosure document required under chapter
38 64.36 RCW; and

39 (e) Any other information and cross-references that the declarant
40 or dealer believes will be helpful in describing the common interest

1 community to the purchaser, all of which may be included or not
2 included at the option of the declarant or dealer.

3 (7) A declarant or dealer is not liable to a purchaser for the
4 failure or delay of the association to provide the resale certificate
5 in a timely manner, but the purchase contract is voidable by the
6 purchaser of a unit sold by the declarant or dealer until the resale
7 certificate required under RCW 64.90.640(2) and the information
8 required under subsection (6) of this section have been provided and
9 for five days thereafter or until conveyance, whichever occurs first.

10 **Sec. 327.** RCW 64.90.635 and 2018 c 277 s 408 are each amended to
11 read as follows:

12 (1) A person required to deliver a public offering statement
13 pursuant to 64.90.605(3)(a) shall provide a purchaser with a copy of
14 the public offering statement and all amendments thereto before
15 conveyance of the unit, and not later than the date of any contract
16 of sale. The purchaser may cancel a contract for the purchase of the
17 unit within seven days after first receiving the public offering
18 statement. If the public offering statement is first provided to a
19 purchaser more than seven days before execution of a contract for the
20 purchase of a unit, the purchaser does not have the right under this
21 section to cancel the executed contract. If the public offering
22 statement is first provided to a purchaser seven days or less before
23 the purchaser signs a contract for the purchase of a unit, the
24 purchaser, before conveyance of the unit to the purchaser, may cancel
25 the contract by delivering, no later than the seventh day after first
26 receiving the public offering statement, a notice of cancellation,
27 delivered pursuant to subsection (3) of this section. If the public
28 offering statement is first provided to a purchaser less than seven
29 days before the closing date for the conveyance of that unit, the
30 purchaser may, before conveyance of the unit to the purchaser, extend
31 the closing date to a date not more than seven days after the
32 purchaser first received the public offering statement.

33 (2) A purchaser does not have the right under this section to
34 cancel a contract upon receipt of an amendment to a public offering
35 statement. This subsection (~~((must not be construed to))~~) does not
36 eliminate any right that is otherwise available to the purchaser
37 under generally applicable contract law to rescind the contract due
38 to (~~(the disclosure of)~~) a material change in the information
39 disclosed in the amendment.

1 (3) If a purchaser elects to cancel a contract under subsection
2 (1) of this section, the purchaser may do so by hand-delivering
3 notice of cancellation, or by mailing notice of cancellation by
4 prepaid United States mail, to the declarant at the address set forth
5 in the public offering statement or at the address of the declarant's
6 registered agent for service of process. The date of such notice is
7 the date of receipt of delivery, if hand-delivered, or the date of
8 deposit in the United States mail, if mailed. Cancellation is without
9 penalty, and all payments made to the seller by the purchaser before
10 cancellation must be refunded promptly. There is no liability for
11 failure to deliver any amendment unless such failure would have
12 entitled the purchaser under generally applicable legal principles to
13 cancel the contract for the purchase of the unit had the undisclosed
14 information been evident to the purchaser before the closing of the
15 purchase.

16 (4) The language of the notice required under RCW 64.90.610(2)(a)
17 must not be construed to modify the rights set forth in this section.

18 **Sec. 328.** RCW 64.90.640 and 2022 c 27 s 6 are each amended to
19 read as follows:

20 (1) Except in the case of a sale when delivery of a public
21 offering statement is required, or unless exempt under RCW
22 64.90.600(2), a unit owner must furnish to a purchaser before
23 execution of any contract for sale of a unit, or otherwise before
24 conveyance, a resale certificate, signed by an officer or authorized
25 agent of the association and based on the books and records of the
26 association and the actual knowledge of the person signing the
27 certificate, containing:

28 (a) A statement disclosing any right of first refusal or other
29 restraint on the free alienability of the unit contained in the
30 declaration;

31 (b) With respect to the selling unit owner's unit, a statement
32 setting forth the amount of any assessment currently due, any
33 delinquent assessments, and a statement of any special assessments
34 that have been levied and have not been paid even though not yet due;

35 (c) A statement, which must be current to within 45 days, of any
36 assessments against any unit in the condominium that are past due
37 over 30 days;

38 (d) A statement, which must be current to within 45 days, of any
39 monetary obligation of the association that is past due over 30 days;

- 1 (e) A statement of any other fees payable to the association by
2 unit owners;
- 3 (f) A statement of any expenditure or anticipated repair or
4 replacement cost reasonably anticipated to be in excess of five
5 percent of the board-approved annual budget of the association,
6 regardless of whether the unit owners are entitled to approve such
7 cost;
- 8 (g) A statement whether the association does or does not have a
9 reserve study prepared in accordance with RCW 64.90.545 and
10 64.90.550;
- 11 (h) The annual financial statement of the association, including
12 the audit report if it has been prepared, for the year immediately
13 preceding the current year;
- 14 (i) The most recent balance sheet and revenue and expense
15 statement, if any, of the association;
- 16 (j) The current operating budget of the association;
- 17 (k) A statement of any unsatisfied judgments against the
18 association and the status of any legal actions in which the
19 association is a party or a claimant as defined in RCW 64.50.010;
- 20 (l) A statement describing any insurance coverage carried by the
21 association and contact information for the association's insurance
22 broker or agent;
- 23 (m) A statement as to whether the board has given or received
24 notice in a record that any existing uses, occupancies, alterations,
25 or improvements in or to the seller's unit or to the limited common
26 elements allocated to the unit violate any provision of the governing
27 documents;
- 28 (n) A statement of the number of units, if any, still owned by
29 the declarant, whether the declarant has transferred control of the
30 association to the unit owners, and the date of such transfer;
- 31 (o) A statement as to whether the board has received notice in a
32 record from a governmental agency of any violation of environmental,
33 health, or building codes with respect to the seller's unit, the
34 limited common elements allocated to that unit, or any other portion
35 of the common interest community that has not been cured;
- 36 (p) A statement of the remaining term of any leasehold estate
37 affecting the common interest community and the provisions governing
38 any extension or renewal of the leasehold estate;
- 39 (q) A statement of any restrictions in the declaration affecting
40 the amount that may be received by a unit owner upon sale;

1 (r) In a cooperative, an accountant's statement, if any was
2 prepared, as to the deductibility for federal income tax purposes by
3 the unit owner of real estate taxes and interest paid by the
4 association;

5 (s) A statement describing any pending sale or encumbrance of
6 common elements;

7 (t) A statement disclosing the effect on the unit to be conveyed
8 of any restriction(~~s~~) on the (~~owner's~~) right to use or occupy the
9 unit (~~or to~~), including a restriction on a lease or other rental of
10 the unit (~~to another person~~);

11 (u) A copy of the declaration, the organizational documents, the
12 rules or regulations of the association, the minutes of board
13 meetings and association meetings, except for any information exempt
14 from disclosure under RCW 64.90.495(3), for the last 12 months, a
15 summary of the current reserve study for the association, and any
16 other information reasonably requested by mortgagees of prospective
17 purchasers of units. Information requested generally by the federal
18 national mortgage association, the federal home loan bank board, the
19 government national mortgage association, the veterans
20 administration, or the department of housing and urban development is
21 deemed reasonable if the information is reasonably available to the
22 association;

23 (v) A statement whether the units or common elements of the
24 common interest community are covered by a qualified warranty under
25 chapter 64.35 RCW and, if so, a history of claims known to the
26 association as having been made under any such warranty;

27 (w) A description of any age-related occupancy restrictions
28 affecting the common interest community;

29 (x) A statement describing any requirements related to electric
30 vehicle charging stations located in the unit or the limited common
31 elements allocated to the unit, including application status,
32 insurance information, maintenance responsibilities, and any
33 associated costs; (~~and~~)

34 (y) If the association does not have a reserve study that has
35 been prepared in accordance with RCW 64.90.545 and 64.90.550 or its
36 governing documents, the following disclosure:

37 "This association does not have a current reserve study. The lack
38 of a current reserve study poses certain risks to you, the purchaser.
39 Insufficient reserves may, under some circumstances, require you to
40 pay on demand as a special assessment your share of common expenses

1 for the cost of major maintenance, repair, or replacement of a common
2 element."; and

3 (z) The resale certificate must include a notice in substantially
4 the following form and in conspicuous type:

5 "THIS UNIT IS LOCATED WITHIN A COMMON INTEREST COMMUNITY
6 AND IS SUBJECT TO THE DECLARATION, BYLAWS, RULES, AND
7 OTHER WRITTEN INSTRUMENTS GRANTING AUTHORITY TO THE
8 ASSOCIATION AS ADOPTED (THE "GOVERNING DOCUMENTS").

9 THE PURCHASER OF THIS UNIT WILL BE REQUIRED TO BE A
10 MEMBER OF THE ASSOCIATION AND WILL BE SUBJECT TO THE
11 GOVERNING DOCUMENTS.

12 THE GOVERNING DOCUMENTS WILL IMPOSE FINANCIAL OBLIGATIONS
13 UPON THE OWNER OF THE UNIT, INCLUDING AN OBLIGATION TO
14 PAY ASSESSMENTS TO THE ASSOCIATION WHICH MAY INCLUDE
15 REGULAR AND SPECIAL ASSESSMENTS, FINES, FEES, INTEREST,
16 LATE CHARGES, AND COSTS OF COLLECTION, INCLUDING
17 REASONABLE ATTORNEYS' FEES.

18 THE ASSOCIATION HAS A STATUTORY LIEN ON EACH INDIVIDUAL
19 UNIT FOR ANY UNPAID ASSESSMENT FROM THE TIME IT IS DUE.
20 FAILURE TO PAY ASSESSMENTS COULD RESULT IN THE FILING OF
21 A LIEN ON THE UNIT AND LOSS OF THE UNIT THROUGH
22 FORECLOSURE.

23 THE GOVERNING DOCUMENTS MAY PROHIBIT OWNERS FROM MAKING
24 CHANGES TO THE UNIT WITHOUT REVIEW AND THE APPROVAL OF
25 THE ASSOCIATION, AND MAY ALSO IMPOSE RESTRICTIONS ON THE
26 USE OF UNIT, DISPLAY OF SIGNS, CERTAIN BEHAVIORS, AND
27 OTHER ITEMS.

28 PURCHASERS OF THIS UNIT SHOULD CAREFULLY REVIEW THE
29 FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION, THE
30 CURRENT STATE OF THE ASSOCIATION'S FINANCES, THE CURRENT
31 RESERVE STUDY, IF ANY, THE GOVERNING DOCUMENTS, AND THE
32 OTHER INFORMATION AVAILABLE IN THE RESALE CERTIFICATE.
33 THE GOVERNING DOCUMENTS CONTAIN IMPORTANT INFORMATION AND
34 CREATE BINDING LEGAL OBLIGATIONS. YOU SHOULD CONSIDER
35 SEEKING THE ASSISTANCE OF LEGAL COUNSEL."

36 (2) The association, within 10 days after a request by a unit
37 owner, and subject to the payment of any fees imposed pursuant to RCW
38 64.90.405(2)(m), must furnish a resale certificate signed by an
39 officer or authorized agent of the association and containing the
40 information necessary to enable the unit owner to comply with this

1 section. For the purposes of this chapter, a reasonable charge for
2 the preparation of a resale certificate may not exceed \$275. The
3 association may charge a unit owner a nominal fee not to exceed \$100
4 for updating a resale certificate within six months of the unit
5 owner's request. A unit owner is not liable to the purchaser for any
6 erroneous information provided by the association and included in the
7 certificate.

8 (3) (a) A purchaser is not liable for any unpaid assessment or fee
9 greater than the amount set forth in the certificate prepared by the
10 association.

11 (b) A unit owner is not liable to a purchaser for the failure or
12 delay of the association to provide the certificate in a timely
13 manner, but the purchase contract is voidable by the purchaser until
14 the certificate has been provided and for five days thereafter or
15 until conveyance, whichever occurs first.

16 **PART IV**
17 **CONFORMING AMENDMENTS**

18 **Sec. 401.** RCW 7.60.025 and 2021 c 176 s 5201 and 2021 c 65 s 6
19 are each reenacted and amended to read as follows:

20 (1) A receiver may be appointed by the superior court of this
21 state in the following instances, but except in any case in which a
22 receiver's appointment is expressly required by statute, or any case
23 in which a receiver's appointment is sought by a state agent whose
24 authority to seek the appointment of a receiver is expressly
25 conferred by statute, or any case in which a receiver's appointment
26 with respect to real property is sought under (b)(ii) of this
27 subsection, a receiver shall be appointed only if the court
28 additionally determines that the appointment of a receiver is
29 reasonably necessary and that other available remedies either are not
30 available or are inadequate:

31 (a) On application of any party, when the party is determined to
32 have a probable right to or interest in property that is a subject of
33 the action and in the possession of an adverse party, or when the
34 property or its revenue-producing potential is in danger of being
35 lost or materially injured or impaired. A receiver may be appointed
36 under this subsection (1)(a) whether or not the application for
37 appointment of a receiver is combined with, or is ancillary to, an
38 action seeking a money judgment or other relief;

1 (b) Provisionally, after commencement of any judicial action or
2 nonjudicial proceeding to foreclose upon any lien against or for
3 forfeiture of any interest in real or personal property, on
4 application of any person, when the interest in the property that is
5 the subject of such an action or proceeding of the person seeking the
6 receiver's appointment is determined to be probable and either:

7 (i) The property or its revenue-producing potential is in danger
8 of being lost or materially injured or impaired; or

9 (ii) The appointment of a receiver with respect to the real or
10 personal property that is the subject of the action or proceeding is
11 provided for by agreement or is reasonably necessary to effectuate or
12 enforce an assignment of rents or other revenues from the property.
13 For purposes of this subsection (1)(b), a judicial action is
14 commenced as provided in superior court civil rule 3(a), a
15 nonjudicial proceeding is commenced under chapter 61.24 RCW upon the
16 service of notice of default described in RCW 61.24.030(8), and a
17 proceeding for forfeiture is commenced under chapter 61.30 RCW upon
18 the recording of the notice of intent to forfeit described in RCW
19 61.30.060;

20 (c) After judgment, in order to give effect to the judgment;

21 (d) To dispose of property according to provisions of a judgment
22 dealing with its disposition;

23 (e) To the extent that property is not exempt from execution, at
24 the instance of a judgment creditor either before or after the
25 issuance of any execution, to preserve or protect it, or prevent its
26 transfer;

27 (f) If and to the extent that property is subject to execution to
28 satisfy a judgment, to preserve the property during the pendency of
29 an appeal, or when an execution has been returned unsatisfied, or
30 when an order requiring a judgment debtor to appear for proceedings
31 supplemental to judgment has been issued and the judgment debtor
32 fails to submit to examination as ordered;

33 (g) Upon an attachment of real or personal property when the
34 property attached is of a perishable nature or is otherwise in danger
35 of waste, impairment, or destruction, or where the abandoned
36 property's owner has absconded with, secreted, or abandoned the
37 property, and it is necessary to collect, conserve, manage, control,
38 or protect it, or to dispose of it promptly, or when the court
39 determines that the nature of the property or the exigency of the
40 case otherwise provides cause for the appointment of a receiver;

1 (h) In an action by a transferor of real or personal property to
2 avoid or rescind the transfer on the basis of fraud, or in an action
3 to subject property or a fund to the payment of a debt;

4 (i) In an action against any person who is not an individual if
5 the object of the action is the dissolution of that person, or if
6 that person has been dissolved, or if that person is insolvent or is
7 not generally paying the person's debts as those debts become due
8 unless they are the subject of bona fide dispute, or if that person
9 is in imminent danger of insolvency;

10 (j) In accordance with RCW 7.08.030 (4) and (6), in cases in
11 which a general assignment for the benefit of creditors has been
12 made;

13 (k) In quo warranto proceedings under chapter 7.56 RCW;

14 (l) As provided under RCW 11.64.022;

15 (m) In an action by the department of licensing under RCW
16 18.35.220(3) with respect to persons engaged in the business of
17 dispensing of hearing aids, RCW 18.85.430 in the case of persons
18 engaged in the business of a real estate broker, associate real
19 estate broker, or real estate salesperson, or RCW 19.105.470 with
20 respect to persons engaged in the business of camping resorts;

21 (n) In an action under RCW 18.44.470 or 18.44.490 in the case of
22 persons engaged in the business of escrow agents;

23 (o) Upon a petition with respect to a nursing home in accordance
24 with and subject to receivership provisions under chapter 18.51 RCW;

25 (p) In connection with a proceeding for relief with respect to a
26 voidable transfer as to a present or future creditor under RCW
27 19.40.041 or a present creditor under RCW 19.40.051;

28 (q) Under RCW 19.100.210(1), in an action by the attorney general
29 or director of financial institutions to restrain any actual or
30 threatened violation of the franchise investment protection act;

31 (r) In an action by the attorney general or by a prosecuting
32 attorney under RCW 19.110.160 with respect to a seller of business
33 opportunities;

34 (s) In an action by the director of financial institutions under
35 RCW 21.20.390 in cases involving actual or threatened violations of
36 the securities act of Washington or under RCW 21.30.120 in cases
37 involving actual or threatened violations of chapter 21.30 RCW with
38 respect to certain businesses and transactions involving commodities;

39 (t) In an action for or relating to dissolution of a business
40 corporation under RCW 23B.14.065, 23B.14.300, 23B.14.310, or

1 23B.14.320, for dissolution of a nonprofit corporation under RCW
2 24.03A.936, for dissolution of a mutual corporation under RCW
3 24.06.305, or in any other action for the dissolution or winding up
4 of any other entity provided for by Title 23, 23B, 24, or 25 RCW;

5 (u) In any action in which the dissolution of any public or
6 private entity is sought, in any action involving any dispute with
7 respect to the ownership or governance of such an entity, or upon the
8 application of a person having an interest in such an entity when the
9 appointment is reasonably necessary to protect the property of the
10 entity or its business or other interests;

11 (v) Under RCW 25.05.215, in aid of a charging order with respect
12 to a partner's interest in a partnership;

13 (w) Under and subject to RCW 30A.44.100, 30A.44.270, and
14 30A.56.030, in the case of a state commercial bank, RCW 30B.44B.100,
15 in the case of a state trust company, RCW 32.24.070, 32.24.073,
16 32.24.080, and 32.24.090, in the case of a state savings bank;

17 (x) Under and subject to RCW 31.12.637 and 31.12.671 through
18 31.12.724, in the case of credit unions;

19 (y) Upon the application of the director of financial
20 institutions under RCW 31.35.090 in actions to enforce chapter 31.35
21 RCW applicable to agricultural lenders, under RCW 31.40.120 in
22 actions to enforce chapter 31.40 RCW applicable to entities engaged
23 in federally guaranteed small business loans, under RCW 31.45.160 in
24 actions to enforce chapter 31.45 RCW applicable to persons licensed
25 as check cashers or check sellers, or under RCW 19.230.230 in actions
26 to enforce chapter 19.230 RCW applicable to persons licensed under
27 the uniform money services act;

28 (z) Under RCW 35.82.090 or 35.82.180, with respect to a housing
29 project;

30 (aa) Under RCW 39.84.160 or 43.180.360, in proceedings to enforce
31 rights under any revenue bonds issued for the purpose of financing
32 industrial development facilities or bonds of the Washington state
33 housing finance commission, or any financing document securing any
34 such bonds;

35 (bb) Under and subject to RCW 43.70.195, in an action by the
36 secretary of health or by a local health officer with respect to a
37 public water system;

38 (cc) As contemplated by RCW 61.24.030, with respect to real
39 property that is the subject of nonjudicial foreclosure proceedings
40 under chapter 61.24 RCW;

1 (dd) As contemplated by RCW 61.30.030(3), with respect to real
2 property that is the subject of judicial or nonjudicial forfeiture
3 proceedings under chapter 61.30 RCW;

4 ~~((Under RCW 64.32.200(2), in an action or proceeding
5 commenced under chapter 61.12 or 61.24 RCW to foreclose upon a lien
6 for common expenses against a dwelling unit subject to the horizontal
7 property regimes act, chapter 64.32 RCW. For purposes of this
8 subsection (1)(ee), a judicial action is commenced as provided in
9 superior court civil rule 3(a) and a nonjudicial proceeding is
10 commenced under chapter 61.24 RCW upon the service of notice of
11 default described in RCW 61.24.030(8);~~

12 ~~((ff) Under RCW 64.34.364(10), in an action or proceeding
13 commenced under chapter 61.12 or 61.24 RCW by a unit owners'
14 association to foreclose a lien for nonpayment of delinquent
15 assessments against condominium units. For purposes of this
16 subsection (1)(ff), a judicial action is commenced as provided in
17 superior court civil rule (3)(a) and a nonjudicial proceeding is
18 commenced under chapter 61.24 RCW upon the service of notice of
19 default described in RCW 61.24.030(8);~~

20 ~~((gg)) Under RCW 64.90.485(15), in an action by an association to
21 collect assessments or to foreclose a lien on a unit;~~

22 ((ff) Upon application of the attorney general under RCW
23 64.36.220(3), in aid of any writ or order restraining or enjoining
24 violations of chapter 64.36 RCW applicable to timeshares;

25 ~~((hh))~~ ((gg) Under RCW 70A.210.070(3), in aid of the enforcement
26 of payment or performance of municipal bonds issued with respect to
27 facilities used to abate, control, or prevent pollution;

28 ~~((ii))~~ ((hh) Upon the application of the department of social
29 and health services under RCW 74.42.580, in cases involving nursing
30 homes;

31 ~~((jj))~~ ((ii) Upon the application of the utilities and
32 transportation commission under RCW 80.28.040, with respect to a
33 water company or wastewater company that has failed to comply with an
34 order of such commission within the time deadline specified therein;

35 ~~((kk))~~ ((jj) Under RCW 87.56.065, in connection with the
36 dissolution of an irrigation district;

37 ~~((ll))~~ ((kk) Upon application of the attorney general or the
38 department of licensing, in any proceeding that either of them are
39 authorized by statute to bring to enforce Title 18 or 19 RCW; the
40 securities act of Washington, chapter 21.20 RCW; the Washington

1 commodities act, chapter 21.30 RCW; the land development act, chapter
2 58.19 RCW; or under chapter 64.36 RCW relating to the regulation of
3 timeshares;

4 (~~(mm)~~) (ll) Upon application of the director of financial
5 institutions in any proceeding that the director of financial
6 institutions is authorized to bring to enforce chapters 31.35, 31.40,
7 and 31.45 RCW; or

8 (~~(nn)~~) (mm) In such other cases as may be provided for by law,
9 or when, in the discretion of the court, it may be necessary to
10 secure ample justice to the parties.

11 (2) The superior courts of this state shall appoint as receiver
12 of property located in this state a person who has been appointed by
13 a federal or state court located elsewhere as receiver with respect
14 to the property specifically or with respect to the owner's property
15 generally, upon the application of the person or of any party to that
16 foreign proceeding, and following the appointment shall give effect
17 to orders, judgments, and decrees of the foreign court affecting the
18 property in this state held by the receiver, unless the court
19 determines that to do so would be manifestly unjust or inequitable.
20 The venue of such a proceeding may be any county in which the person
21 resides or maintains any office, or any county in which any property
22 over which the receiver is to be appointed is located at the time the
23 proceeding is commenced.

24 (3) At least seven days' notice of any application for the
25 appointment of a receiver must be given to the owner of property to
26 be subject thereto and to all other parties in the action, and to
27 other parties in interest as the court may require. If any execution
28 by a judgment creditor under Title 6 RCW or any application by a
29 judgment creditor for the appointment of a receiver, with respect to
30 property over which the receiver's appointment is sought, is pending
31 in any other action at the time the application is made, then notice
32 of the application for the receiver's appointment also must be given
33 to the judgment creditor in the other action. The court may shorten
34 or expand the period for notice of an application for the appointment
35 of a receiver upon good cause shown.

36 (4) The order appointing a receiver in all cases must reasonably
37 describe the property over which the receiver is to take charge, by
38 category, individual items, or both if the receiver is to take charge
39 of less than all of the owner's property. If the order appointing a
40 receiver does not expressly limit the receiver's authority to

1 designated property or categories of property of the owner, the
2 receiver is a general receiver with the authority to take charge over
3 all of the owner's property, wherever located.

4 (5) The court may condition the appointment of a receiver upon
5 the giving of security by the person seeking the receiver's
6 appointment, in such amount as the court may specify, for the payment
7 of costs and damages incurred or suffered by any person should it
8 later be determined that the appointment of the receiver was
9 wrongfully obtained.

10 **Sec. 402.** RCW 7.60.110 and 2011 c 34 s 4 are each amended to
11 read as follows:

12 (1) Except as otherwise ordered by the court, the entry of an
13 order appointing a general receiver or a custodial receiver with
14 respect to all of a person's property shall operate as a stay,
15 applicable to all persons, of:

16 (a) The commencement or continuation, including the issuance or
17 employment of process, of a judicial, administrative, or other action
18 or proceeding against the person over whose property the receiver is
19 appointed that was or could have been commenced before the entry of
20 the order of appointment, or to recover a claim against the person
21 that arose before the entry of the order of appointment;

22 (b) The enforcement, against the person over whose property the
23 receiver is appointed or any estate property, of a judgment obtained
24 before the order of appointment;

25 (c) Any act to obtain possession of estate property from the
26 receiver, or to interfere with, or exercise control over, estate
27 property;

28 (d) Any act to create, perfect, or enforce any lien or claim
29 against estate property except by exercise of a right of setoff, to
30 the extent that the lien secures a claim against the person that
31 arose before the entry of the order of appointment; or

32 (e) Any act to collect, assess, or recover a claim against the
33 person that arose before the entry of the order of appointment.

34 (2) The stay shall automatically expire as to the acts specified
35 in subsection (1)(a), (b), and (e) of this section sixty days after
36 the entry of the order of appointment unless before the expiration of
37 the sixty-day period the receiver, for good cause shown, obtains an
38 order of the court extending the stay, after notice and a hearing. A
39 person whose action or proceeding is stayed by motion to the court

1 may seek relief from the stay for good cause shown. Any judgment
2 obtained against the person over whose property the receiver is
3 appointed or estate property following the entry of the order of
4 appointment is not a lien against estate property unless the
5 receivership is terminated prior to a conveyance of the property
6 against which the judgment would otherwise constitute a lien.

7 (3) The entry of an order appointing a receiver does not operate
8 as a stay of:

9 (a) The continuation of a judicial action or nonjudicial
10 proceeding of the type described in RCW 7.60.025(1) (b) ~~((r))~~ or (ee)
11 ~~((r or (ff)))~~, if the action or proceeding was initiated by the party
12 seeking the receiver's appointment;

13 (b) The commencement or continuation of a criminal proceeding
14 against the person over whose property the receiver is appointed;

15 (c) The commencement or continuation of an action or proceeding
16 to establish paternity, or to establish or modify an order for
17 alimony, maintenance, or support, or to collect alimony, maintenance,
18 or support under any order of a court;

19 (d) Any act to perfect, or to maintain or continue the perfection
20 of, an interest in estate property if the interest perfected would be
21 effective against a creditor of the person over whose property the
22 receiver is appointed holding at the time of the entry of the order
23 of appointment either a perfected nonpurchase money security interest
24 under chapter 62A.9A RCW against the property involved, or a lien by
25 attachment, levy, or the like, whether or not such a creditor exists.
26 If perfection of an interest would require seizure of the property
27 involved or the commencement of an action, the perfection shall
28 instead be accomplished by filing, and by serving upon the receiver,
29 or receiver's counsel, if any, notice of the interest within the time
30 fixed by law for seizure or commencement;

31 (e) The commencement or continuation of an action or proceeding
32 by a governmental unit to enforce its police or regulatory power;

33 (f) The enforcement of a judgment, other than a money judgment,
34 obtained in an action or proceeding by a governmental unit to enforce
35 its police or regulatory power, or with respect to any licensure of
36 the person over whose property the receiver is appointed;

37 (g) The exercise of a right of setoff, including but not limited
38 to (i) any right of a commodity broker, forward contract merchant,
39 stockbroker, financial institution, or securities clearing agency to
40 set off a claim for a margin payment or settlement payment arising

1 out of a commodity contract, forward contract, or securities contract
2 against cash, securities, or other property held or due from the
3 commodity broker, forward contract merchant, stockbroker, financial
4 institution, or securities clearing agency to margin, guarantee,
5 secure, or settle the commodity contract, forward contract, or
6 securities contract, and (ii) any right of a swap participant to set
7 off a claim for a payment due to the swap participant under or in
8 connection with a swap agreement against any payment due from the
9 swap participant under or in connection with the swap agreement or
10 against cash, securities, or other property of the debtor held by or
11 due from the swap participant to guarantee, secure, or settle the
12 swap agreement; or

13 (h) The establishment by a governmental unit of any tax liability
14 and any appeal thereof.

15 **Sec. 403.** RCW 18.85.151 and 2012 c 126 s 1 are each amended to
16 read as follows:

17 This chapter shall not apply to:

18 (1) Any person who purchases or disposes of property and/or a
19 business opportunity for that individual's own account, or that of a
20 group of which the person is a member, and their employees;

21 (2) Any duly authorized attorney-in-fact acting under a power of
22 attorney without compensation;

23 (3) An attorney-at-law in the performance of the practice of law;

24 (4) Any receiver, trustee in bankruptcy, executor, administrator,
25 guardian, personal representative, or any person acting under the
26 order of any court, selling under a deed of trust, or acting as
27 trustee under a trust;

28 (5) Any secretary, bookkeeper, accountant, or other office
29 personnel who does not engage in any conduct or activity specified in
30 any of the definitions under RCW 18.85.011;

31 (6) Employees of towns, cities, counties, or governmental
32 entities involved in an acquisition of property for right-of-way,
33 eminent domain, or threat of eminent domain;

34 (7) Only with respect to the rental or lease of individual
35 storage space, any person who owns or manages a self-service storage
36 facility as defined under chapter 19.150 RCW;

37 (8) Any person providing referrals to licensees who is not
38 involved in the negotiation, execution of documents, or related real

1 estate brokerage services, and compensation is not contingent upon
2 receipt of compensation by the licensee or the real estate firm;

3 (9) Certified public accountants if they do not promote the
4 purchase, listing, sale, exchange, optioning, leasing, or renting of
5 a specific real property interest;

6 (10) Any natural persons or entities including title or escrow
7 companies, escrow agents, attorneys, or financial institutions acting
8 as escrow agents if they do not promote the purchase, listing, sale,
9 exchange, optioning, leasing, or renting of a specific real property
10 interest;

11 (11) Investment counselors if they do not promote the purchase,
12 listing, sale, exchange, optioning, leasing, or renting of a specific
13 real property interest;

14 (12) Common interest community managers who, in an advisory
15 capacity and for compensation or in expectation of compensation,
16 provide management or financial services, negotiate agreements to
17 provide management or financial services, or represent themselves as
18 providing management or financial services to an association governed
19 by chapter (~~64.32, 64.34, or 64.38~~) 64.90 RCW, if they do not
20 promote the purchase, listing, sale, exchange, optioning, leasing, or
21 renting of a specific real property interest. This subsection (12)
22 applies regardless of whether a common interest community manager
23 acts as an independent contractor to, employee of, general manager or
24 executive director of, or agent of an association governed by chapter
25 (~~64.32, 64.34, or 64.38~~) 64.90 RCW; and

26 (13) Any person employed or retained by, for, or on behalf of the
27 owner or on behalf of a designated or managing broker if the person
28 is limited in property management to any of the following activities:

29 (a) Delivering a lease application, a lease, or any amendment
30 thereof to any person;

31 (b) Receiving a lease application, lease, or amendment thereof, a
32 security deposit, rental payment, or any related payment for delivery
33 to and made payable to the real estate firm or owner;

34 (c) Showing a rental unit to any person, or executing leases or
35 rental agreements, and the employee or retaine is acting under the
36 direct instruction of the owner or designated or managing broker;

37 (d) Providing information about a rental unit, a lease, an
38 application for lease, or a security deposit and rental amounts to
39 any prospective tenant; or

1 (e) Assisting in the performance of property management functions
2 by carrying out administrative, clerical, financial, or maintenance
3 tasks.

4 **Sec. 404.** RCW 36.70A.699 and 2020 c 217 s 5 are each amended to
5 read as follows:

6 Nothing in chapter 217, Laws of 2020 modifies or limits any
7 rights or interests legally recorded in the governing documents of
8 associations subject to chapter ((64.32, 64.34, 64.38, or)) 64.90
9 RCW.

10 **Sec. 405.** RCW 43.185B.020 and 2023 c 275 s 25 are each amended
11 to read as follows:

12 (1) The department shall establish the affordable housing
13 advisory board to consist of 25 members.

14 (a) The following 22 members shall be appointed by the governor:

15 (i) Two representatives of the residential construction industry;

16 (ii) Two representatives of the home mortgage lending profession;

17 (iii) One representative of the real estate sales profession;

18 (iv) One representative of the apartment management and operation
19 industry;

20 (v) One representative of the for-profit housing development
21 industry;

22 (vi) One representative of for-profit rental housing owners;

23 (vii) One representative of the nonprofit housing development
24 industry;

25 (viii) One representative of homeless shelter operators;

26 (ix) One representative of lower-income persons;

27 (x) One representative of special needs populations;

28 (xi) One representative of public housing authorities as created
29 under chapter 35.82 RCW;

30 (xii) Two representatives of the Washington association of
31 counties, one representative shall be from a county that is located
32 east of the crest of the Cascade mountains;

33 (xiii) Two representatives of the association of Washington
34 cities, one representative shall be from a city that is located east
35 of the crest of the Cascade mountains;

36 (xiv) One representative to serve as chair of the affordable
37 housing advisory board;

1 (xv) One representative of organizations that operate site-based
2 permanent supportive housing and deliver on-site supportive housing
3 services;

4 (xvi) One representative at large;

5 (xvii) One representative from a unit owners' association as
6 defined in RCW (~~(64.34.020 or)~~) 64.90.010; and

7 (xviii) One representative from an interlocal housing
8 collaboration as established under chapter 39.34 RCW.

9 (b) The following three members shall serve as ex officio,
10 nonvoting members:

11 (i) The director or the director's designee;

12 (ii) The executive director of the Washington state housing
13 finance commission or the executive director's designee; and

14 (iii) The secretary of social and health services or the
15 secretary's designee.

16 (2) (a) The members of the affordable housing advisory board
17 appointed by the governor shall be appointed for four-year terms,
18 except that the chair shall be appointed to serve a two-year term.
19 The terms of five of the initial appointees shall be for two years
20 from the date of appointment and the terms of six of the initial
21 appointees shall be for three years from the date of appointment. The
22 governor shall designate the appointees who will serve the two-year
23 and three-year terms. The members of the advisory board shall serve
24 without compensation, but shall be reimbursed for travel expenses as
25 provided in RCW 43.03.050 and 43.03.060.

26 (b) The governor, when making appointments to the affordable
27 housing advisory board, shall make appointments that reflect the
28 cultural diversity of the state of Washington.

29 (3) The affordable housing advisory board shall serve as the
30 department's principal advisory body on housing and housing-related
31 issues, and replaces the department's existing boards and task forces
32 on housing and housing-related issues.

33 (4) The affordable housing advisory board shall meet regularly
34 and may appoint technical advisory committees, which may include
35 members of the affordable housing advisory board, as needed to
36 address specific issues and concerns.

37 (5) The department, in conjunction with the Washington state
38 housing finance commission and the department of social and health
39 services, shall supply such information and assistance as are deemed

1 necessary for the advisory board to carry out its duties under this
2 section.

3 (6) The department shall provide administrative and clerical
4 assistance to the affordable housing advisory board.

5 **Sec. 406.** RCW 46.61.419 and 2013 c 269 s 1 are each amended to
6 read as follows:

7 State, local, or county law enforcement personnel may enforce
8 speeding violations under RCW 46.61.400 on private roads within a
9 community organized under chapter (~~64.34, 64.32, or 64.38~~) 64.90
10 RCW if:

11 (1) A majority of the (~~homeowner's association's, association of~~
12 ~~apartment owners', or condominium~~) unit owners association's board
13 of directors votes to authorize the issuance of speeding infractions
14 on its private roads, and declares a speed limit not lower than
15 twenty miles per hour;

16 (2) A written agreement regarding the speeding enforcement is
17 signed by the (~~homeowner's association, association of apartment~~
18 ~~owners, or condominium~~) unit owners association president and the
19 chief law enforcement official of the city or county within whose
20 jurisdiction the private road is located;

21 (3) The (~~homeowner's association, association of apartment~~
22 ~~owners, or condominium~~) unit owners association has provided written
23 notice to all of the (~~homeowners, apartment owners, or~~) unit owners
24 describing the new authority to issue speeding infractions; and

25 (4) Signs have been posted declaring the speed limit at all
26 vehicle entrances to the common interest community.

27 **Sec. 407.** RCW 58.17.040 and 2019 c 352 s 2 are each amended to
28 read as follows:

29 The provisions of this chapter shall not apply to:

30 (1) Cemeteries and other burial plots while used for that
31 purpose;

32 (2) Divisions of land into lots or tracts each of which is one-
33 one hundred twenty-eighth of a section of land or larger, or five
34 acres or larger if the land is not capable of description as a
35 fraction of a section of land, unless the governing authority of the
36 city, town, or county in which the land is situated shall have
37 adopted a subdivision ordinance requiring plat approval of such
38 divisions: PROVIDED, That for purposes of computing the size of any

1 lot under this item which borders on a street or road, the lot size
2 shall be expanded to include that area which would be bounded by the
3 center line of the road or street and the side lot lines of the lot
4 running perpendicular to such center line;

5 (3) Divisions made by testamentary provisions, or the laws of
6 descent;

7 (4) Divisions of land into lots or tracts classified for
8 industrial or commercial use when the city, town, or county has
9 approved a binding site plan for the use of the land in accordance
10 with local regulations;

11 (5) A division for the purpose of lease when no residential
12 structure other than mobile homes, tiny houses or tiny houses with
13 wheels as defined in RCW 35.21.686, or travel trailers are permitted
14 to be placed upon the land when the city, town, or county has
15 approved a binding site plan for the use of the land in accordance
16 with local regulations;

17 (6) A division made for the purpose of alteration by adjusting
18 boundary lines, between platted or unplatted lots or both, which does
19 not create any additional lot, tract, parcel, site, or division nor
20 create any lot, tract, parcel, site, or division which contains
21 insufficient area and dimension to meet minimum requirements for
22 width and area for a building site;

23 (7) Divisions of land into lots or tracts if: (a) Such division
24 is the result of subjecting a portion of a parcel or tract of land to
25 (~~either~~) chapter (~~64.32 or 64.34~~) 64.90 RCW subsequent to the
26 recording of a binding site plan for all such land; (b) the
27 improvements constructed or to be constructed thereon are required by
28 the provisions of the binding site plan to be included in one or more
29 condominiums, cooperative, or owned by an association or other legal
30 entity in which the owners of units therein or their owners'
31 associations have a membership or other legal or beneficial interest;
32 (c) a city, town, or county has approved the binding site plan for
33 all such land; (d) such approved binding site plan is recorded in the
34 county or counties in which such land is located; and (e) the binding
35 site plan contains thereon the following statement: "All development
36 and use of the land described herein shall be in accordance with this
37 binding site plan, as it may be amended with the approval of the
38 city, town, or county having jurisdiction over the development of
39 such land, and in accordance with such other governmental permits,
40 approvals, regulations, requirements, and restrictions that may be

1 imposed upon such land and the development and use thereof. Upon
2 completion, the improvements on the land shall be included in one or
3 more condominiums, cooperative, or owned by an association or other
4 legal entity in which the owners of units therein or their owners'
5 associations have a membership or other legal or beneficial interest.
6 This binding site plan shall be binding upon all now or hereafter
7 having any interest in the land described herein." The binding site
8 plan may, but need not, depict or describe the boundaries of the lots
9 or tracts resulting from subjecting a portion of the land to
10 ((either)) chapter ((~~64.32 or 64.34~~)) 64.90 RCW. A site plan shall be
11 deemed to have been approved if the site plan was approved by a city,
12 town, or county: (i) In connection with the final approval of a
13 subdivision plat or planned unit development with respect to all of
14 such land; or (ii) in connection with the issuance of building
15 permits or final certificates of occupancy with respect to all of
16 such land; or (iii) if not approved pursuant to (i) and (ii) of this
17 subsection (7)(e), then pursuant to such other procedures as such
18 city, town, or county may have established for the approval of a
19 binding site plan;

20 (8) A division for the purpose of leasing land for facilities
21 providing personal wireless services while used for that purpose.
22 "Personal wireless services" means any federally licensed personal
23 wireless service. "Facilities" means unstaffed facilities that are
24 used for the transmission or reception, or both, of wireless
25 communication services including, but not necessarily limited to,
26 antenna arrays, transmission cables, equipment shelters, and support
27 structures; and

28 (9) A division of land into lots or tracts of less than three
29 acres that is recorded in accordance with chapter 58.09 RCW and is
30 used or to be used for the purpose of establishing a site for
31 construction and operation of consumer-owned or investor-owned
32 electric utility facilities. For purposes of this subsection,
33 "electric utility facilities" means unstaffed facilities, except for
34 the presence of security personnel, that are used for or in
35 connection with or to facilitate the transmission, distribution,
36 sale, or furnishing of electricity including, but not limited to,
37 electric power substations. This subsection does not exempt a
38 division of land from the zoning and permitting laws and regulations
39 of cities, towns, counties, and municipal corporations. Furthermore,
40 this subsection only applies to electric utility facilities that will

1 be placed into service to meet the electrical needs of a utility's
2 existing and new customers. New customers are defined as electric
3 service locations not already in existence as of the date that
4 electric utility facilities subject to the provisions of this
5 subsection are planned and constructed.

6 **Sec. 408.** RCW 59.18.200 and 2021 c 212 s 3 are each amended to
7 read as follows:

8 (1)(a) When premises are rented for an indefinite time, with
9 monthly or other periodic rent reserved, such tenancy shall be
10 construed to be a tenancy from month to month, or from period to
11 period on which rent is payable, and shall end by written notice of
12 20 days or more, preceding the end of any of the months or periods of
13 tenancy, given by the tenant to the landlord.

14 (b) Any tenant who is a member of the armed forces, including the
15 national guard and armed forces reserves, or that tenant's spouse or
16 dependent, may end a rental agreement with less than 20 days' written
17 notice if the tenant receives permanent change of station or
18 deployment orders that do not allow a 20-day written notice.

19 (2)(a) Whenever a landlord plans to change to a policy of
20 excluding children, the landlord shall give a written notice to a
21 tenant at least 90 days before the tenancy ends to effectuate such
22 change in policy. Such 90-day notice shall be in lieu of the notice
23 required by subsection (1) of this section. However, if after giving
24 the 90-day notice the change in policy is delayed, the notice
25 requirements of subsection (1) of this section shall apply unless
26 waived by the tenant.

27 (b) Whenever a landlord plans to change any apartment or
28 apartments to a condominium form of ownership, the landlord shall
29 provide a written notice to a tenant at least 120 days before the
30 tenancy ends, in compliance with RCW (~~(64.34.440(1))~~) 64.90.655, to
31 effectuate such change. The 120-day notice is in lieu of the notice
32 required in subsection (1) of this section. However, if after
33 providing the 120-day notice the change to a condominium form of
34 ownership is delayed, the notice requirements in subsection (1) of
35 this section apply unless waived by the tenant.

36 (c)(i) Whenever a landlord plans to demolish or substantially
37 rehabilitate premises or plans a change of use of premises, the
38 landlord shall provide a written notice to a tenant at least 120 days
39 before the tenancy ends. This subsection (2)(c)(i) does not apply to

1 jurisdictions that have created a relocation assistance program under
2 RCW 59.18.440 and otherwise provide 120 days' notice.

3 (ii) For purposes of this subsection (2)(c):

4 (A) "Assisted housing development" means a multifamily rental
5 housing development that either receives government assistance and is
6 defined as federally assisted housing in RCW 59.28.020, or that
7 receives other federal, state, or local government assistance and is
8 subject to use restrictions.

9 (B) "Change of use" means: (I) Conversion of any premises from a
10 residential use to a nonresidential use that results in the
11 displacement of an existing tenant; (II) conversion from one type of
12 residential use to another type of residential use that results in
13 the displacement of an existing tenant, such as conversion to a
14 retirement home, emergency shelter, or transient hotel; or (III)
15 conversion following removal of use restrictions from an assisted
16 housing development that results in the displacement of an existing
17 tenant: PROVIDED, That displacement of an existing tenant in order
18 that the owner or a member of the owner's immediate family may occupy
19 the premises does not constitute a change of use.

20 (C) "Demolish" means the destruction of premises or the
21 relocation of premises to another site that results in the
22 displacement of an existing tenant.

23 (D) "Substantially rehabilitate" means extensive structural
24 repair or extensive remodeling of premises that requires a permit
25 such as a building, electrical, plumbing, or mechanical permit, and
26 that results in the displacement of an existing tenant.

27 **Sec. 409.** RCW 59.18.650 and 2021 c 212 s 2 are each amended to
28 read as follows:

29 (1)(a) A landlord may not evict a tenant, refuse to continue a
30 tenancy, or end a periodic tenancy except for the causes enumerated
31 in subsection (2) of this section and as otherwise provided in this
32 subsection.

33 (b) If a landlord and tenant enter into a rental agreement that
34 provides for the tenancy to continue for an indefinite period on a
35 month-to-month or periodic basis after the agreement expires, the
36 landlord may not end the tenancy except for the causes enumerated in
37 subsection (2) of this section; however, a landlord may end such a
38 tenancy at the end of the initial period of the rental agreement
39 without cause only if:

1 (i) At the inception of the tenancy, the landlord and tenant
2 entered into a rental agreement between six and 12 months; and

3 (ii) The landlord has provided the tenant before the end of the
4 initial lease period at least 60 days' advance written notice ending
5 the tenancy, served in a manner consistent with RCW 59.12.040.

6 (c) If a landlord and tenant enter into a rental agreement for a
7 specified period in which the tenancy by the terms of the rental
8 agreement does not continue for an indefinite period on a month-to-
9 month or periodic basis after the end of the specified period, the
10 landlord may end such a tenancy without cause upon expiration of the
11 specified period only if:

12 (i) At the inception of the tenancy, the landlord and tenant
13 entered into a rental agreement of 12 months or more for a specified
14 period, or the landlord and tenant have continuously and without
15 interruption entered into successive rental agreements of six months
16 or more for a specified period since the inception of the tenancy;

17 (ii) The landlord has provided the tenant before the end of the
18 specified period at least 60 days' advance written notice that the
19 tenancy will be deemed expired at the end of such specified period,
20 served in a manner consistent with RCW 59.12.040; and

21 (iii) The tenancy has not been for an indefinite period on a
22 month-to-month or periodic basis at any point since the inception of
23 the tenancy. However, for any tenancy of an indefinite period in
24 existence as of May 10, 2021, if the landlord and tenant enter into a
25 rental agreement between May 10, 2021, and three months following the
26 expiration of the governor's proclamation 20-19.6 or any extensions
27 thereof, the landlord may exercise rights under this subsection
28 (1)(c) as if the rental agreement was entered into at the inception
29 of the tenancy provided that the rental agreement is otherwise in
30 accordance with this subsection (1)(c).

31 (d) For all other tenancies of a specified period not covered
32 under (b) or (c) of this subsection, and for tenancies of an
33 indefinite period on a month-to-month or periodic basis, a landlord
34 may not end the tenancy except for the causes enumerated in
35 subsection (2) of this section. Upon the end date of the tenancy of a
36 specified period, the tenancy becomes a month-to-month tenancy.

37 (e) Nothing prohibits a landlord and tenant from entering into
38 subsequent lease agreements that are in compliance with the
39 requirements in subsection (2) of this section.

1 (f) A tenant may end a tenancy for a specified time by providing
2 notice in writing not less than 20 days prior to the ending date of
3 the specified time.

4 (2) The following reasons listed in this subsection constitute
5 cause pursuant to subsection (1) of this section:

6 (a) The tenant continues in possession in person or by subtenant
7 after a default in the payment of rent, and after written notice
8 requiring, in the alternative, the payment of the rent or the
9 surrender of the detained premises has remained uncomplied with for
10 the period set forth in RCW 59.12.030(3) for tenants subject to this
11 chapter. The written notice may be served at any time after the rent
12 becomes due;

13 (b) The tenant continues in possession after substantial breach
14 of a material program requirement of subsidized housing, material
15 term subscribed to by the tenant within the lease or rental
16 agreement, or a tenant obligation imposed by law, other than one for
17 monetary damages, and after the landlord has served written notice
18 specifying the acts or omissions constituting the breach and
19 requiring, in the alternative, that the breach be remedied or the
20 rental agreement will end, and the breach has not been adequately
21 remedied by the date specified in the notice, which date must be at
22 least 10 days after service of the notice;

23 (c) The tenant continues in possession after having received at
24 least three days' advance written notice to quit after he or she
25 commits or permits waste or nuisance upon the premises, unlawful
26 activity that affects the use and enjoyment of the premises, or other
27 substantial or repeated and unreasonable interference with the use
28 and enjoyment of the premises by the landlord or neighbors of the
29 tenant;

30 (d) The tenant continues in possession after the landlord of a
31 dwelling unit in good faith seeks possession so that the owner or his
32 or her immediate family may occupy the unit as that person's
33 principal residence and no substantially equivalent unit is vacant
34 and available to house the owner or his or her immediate family in
35 the same building, and the owner has provided at least 90 days'
36 advance written notice of the date the tenant's possession is to end.
37 There is a rebuttable presumption that the owner did not act in good
38 faith if the owner or immediate family fails to occupy the unit as a
39 principal residence for at least 60 consecutive days during the 90
40 days immediately after the tenant vacated the unit pursuant to a

1 notice to vacate using this subsection (2)(d) as the cause for the
2 lease ending;

3 (e) The tenant continues in possession after the owner elects to
4 sell a single-family residence and the landlord has provided at least
5 90 days' advance written notice of the date the tenant's possession
6 is to end. For the purposes of this subsection (2)(e), an owner
7 "elects to sell" when the owner makes reasonable attempts to sell the
8 dwelling within 30 days after the tenant has vacated, including, at a
9 minimum, listing it for sale at a reasonable price with a realty
10 agency or advertising it for sale at a reasonable price by listing it
11 on the real estate multiple listing service. There shall be a
12 rebuttable presumption that the owner did not intend to sell the unit
13 if:

14 (i) Within 30 days after the tenant has vacated, the owner does
15 not list the single-family dwelling unit for sale at a reasonable
16 price with a realty agency or advertise it for sale at a reasonable
17 price by listing it on the real estate multiple listing service; or

18 (ii) Within 90 days after the date the tenant vacated or the date
19 the property was listed for sale, whichever is later, the owner
20 withdraws the rental unit from the market, the landlord rents the
21 unit to someone other than the former tenant, or the landlord
22 otherwise indicates that the owner does not intend to sell the unit;

23 (f) The tenant continues in possession of the premises after the
24 landlord serves the tenant with advance written notice pursuant to
25 RCW 59.18.200(2)(c);

26 (g) The tenant continues in possession after the owner elects to
27 withdraw the premises to pursue a conversion pursuant to RCW
28 (~~(64.34.440 or)~~) 64.90.655;

29 (h) The tenant continues in possession, after the landlord has
30 provided at least 30 days' advance written notice to vacate that: (i)
31 The premises has been certified or condemned as uninhabitable by a
32 local agency charged with the authority to issue such an order; and
33 (ii) continued habitation of the premises would subject the landlord
34 to civil or criminal penalties. However, if the terms of the local
35 agency's order do not allow the landlord to provide at least 30 days'
36 advance written notice, the landlord must provide as much advance
37 written notice as is possible and still comply with the order;

38 (i) The tenant continues in possession after an owner or lessor,
39 with whom the tenant shares the dwelling unit or access to a common
40 kitchen or bathroom area, has served at least 20 days' advance

1 written notice to vacate prior to the end of the rental term or, if a
2 periodic tenancy, the end of the rental period;

3 (j) The tenant continues in possession of a dwelling unit in
4 transitional housing after having received at least 30 days' advance
5 written notice to vacate in advance of the expiration of the
6 transitional housing program, the tenant has aged out of the
7 transitional housing program, or the tenant has completed an
8 educational or training or service program and is no longer eligible
9 to participate in the transitional housing program. Nothing in this
10 subsection (2)(j) prohibits the ending of a tenancy in transitional
11 housing for any of the other causes specified in this subsection;

12 (k) The tenant continues in possession of a dwelling unit after
13 the expiration of a rental agreement without signing a proposed new
14 rental agreement proffered by the landlord; provided, that the
15 landlord proffered the proposed new rental agreement at least 30 days
16 prior to the expiration of the current rental agreement and that any
17 new terms and conditions of the proposed new rental agreement are
18 reasonable. This subsection (2)(k) does not apply to tenants whose
19 tenancies are or have become periodic;

20 (l) The tenant continues in possession after having received at
21 least 30 days' advance written notice to vacate due to intentional,
22 knowing, and material misrepresentations or omissions made on the
23 tenant's application at the inception of the tenancy that, had these
24 misrepresentations or omissions not been made, would have resulted in
25 the landlord requesting additional information or taking an adverse
26 action;

27 (m) The tenant continues in possession after having received at
28 least 60 days' advance written notice to vacate for other good cause
29 prior to the end of the period or rental agreement and such cause
30 constitutes a legitimate economic or business reason not covered or
31 related to a basis for ending the lease as enumerated under this
32 subsection (2). When the landlord relies on this basis for ending the
33 tenancy, the court may stay any writ of restitution for up to 60
34 additional days for good cause shown, including difficulty procuring
35 alternative housing. The court must condition such a stay upon the
36 tenant's continued payment of rent during the stay period. Upon
37 granting such a stay, the court must award court costs and fees as
38 allowed under this chapter;

39 (n)(i) The tenant continues in possession after having received
40 at least 60 days' written notice to vacate prior to the end of the

1 period or rental agreement and the tenant has committed four or more
2 of the following violations, other than ones for monetary damages,
3 within the preceding 12-month period, the tenant has remedied or
4 cured the violation, and the landlord has provided the tenant a
5 written warning notice at the time of each violation: A substantial
6 breach of a material program requirement of subsidized housing, a
7 substantial breach of a material term subscribed to by the tenant
8 within the lease or rental agreement, or a substantial breach of a
9 tenant obligation imposed by law;

10 (ii) Each written warning notice must:

11 (A) Specify the violation;

12 (B) Provide the tenant an opportunity to cure the violation;

13 (C) State that the landlord may choose to end the tenancy at the
14 end of the rental term if there are four violations within a 12-month
15 period preceding the end of the term; and

16 (D) State that correcting the fourth or subsequent violation is
17 not a defense to the ending of the lease under this subsection;

18 (iii) The 60-day notice to vacate must:

19 (A) State that the rental agreement will end upon the specified
20 ending date for the rental term or upon a designated date not less
21 than 60 days after the delivery of the notice, whichever is later;

22 (B) Specify the reason for ending the lease and supporting facts;
23 and

24 (C) Be served to the tenant concurrent with or after the fourth
25 or subsequent written warning notice;

26 (iv) The notice under this subsection must include all notices
27 supporting the basis of ending the lease;

28 (v) Any notices asserted under this subsection must pertain to
29 four or more separate incidents or occurrences; and

30 (vi) This subsection (2)(n) does not absolve a landlord from
31 demonstrating by admissible evidence that the four or more violations
32 constituted breaches under (b) of this subsection at the time of the
33 violation had the tenant not remedied or cured the violation;

34 (o) The tenant continues in possession after having received at
35 least 60 days' advance written notice to vacate prior to the end of
36 the rental period or rental agreement if the tenant is required to
37 register as a sex offender during the tenancy, or failed to disclose
38 a requirement to register as a sex offender when required in the
39 rental application or otherwise known to the property owner at the
40 beginning of the tenancy;

1 (p) The tenant continues in possession after having received at
2 least 20 days' advance written notice to vacate prior to the end of
3 the rental period or rental agreement if the tenant has made unwanted
4 sexual advances or other acts of sexual harassment directed at the
5 property owner, property manager, property employee, or another
6 tenant based on the person's race, gender, or other protected status
7 in violation of any covenant or term in the lease.

8 (3) When a tenant has permanently vacated due to voluntary or
9 involuntary events, other than by the ending of the tenancy by the
10 landlord, a landlord must serve a notice to any remaining occupants
11 who had coresided with the tenant at least six months prior to and up
12 to the time the tenant permanently vacated, requiring the occupants
13 to either apply to become a party to the rental agreement or vacate
14 within 30 days of service of such notice. In processing any
15 application from a remaining occupant under this subsection, the
16 landlord may require the occupant to meet the same screening,
17 background, and financial criteria as would any other prospective
18 tenant to continue the tenancy. If the occupant fails to apply within
19 30 days of receipt of the notice in this subsection, or the
20 application is denied for failure to meet the criteria, the landlord
21 may commence an unlawful detainer action under this chapter. If an
22 occupant becomes a party to the tenancy pursuant to this subsection,
23 a landlord may not end the tenancy except as provided under
24 subsection (2) of this section. This subsection does not apply to
25 tenants residing in subsidized housing.

26 (4) A landlord who removes a tenant or causes a tenant to be
27 removed from a dwelling in any way in violation of this section is
28 liable to the tenant for wrongful eviction, and the tenant prevailing
29 in such an action is entitled to the greater of their economic and
30 noneconomic damages or three times the monthly rent of the dwelling
31 at issue, and reasonable attorneys' fees and court costs.

32 (5) Nothing in subsection (2)(d), (e), or (f) of this section
33 permits a landlord to end a tenancy for a specified period before the
34 completion of the term unless the landlord and the tenant mutually
35 consent, in writing, to ending the tenancy early and the tenant is
36 afforded at least 60 days to vacate.

37 (6) All written notices required under subsection (2) of this
38 section must:

39 (a) Be served in a manner consistent with RCW 59.12.040; and

1 (b) Identify the facts and circumstances known and available to
2 the landlord at the time of the issuance of the notice that support
3 the cause or causes with enough specificity so as to enable the
4 tenant to respond and prepare a defense to any incidents alleged. The
5 landlord may present additional facts and circumstances regarding the
6 allegations within the notice if such evidence was unknown or
7 unavailable at the time of the issuance of the notice.

8 **Sec. 410.** RCW 61.24.030 and 2023 c 206 s 2 are each amended to
9 read as follows:

10 It shall be requisite to a trustee's sale:

11 (1) That the deed of trust contains a power of sale;

12 (2) That the deed of trust contains a statement that the real
13 property conveyed is not used principally for agricultural purposes;
14 provided, if the statement is false on the date the deed of trust was
15 granted or amended to include that statement, and false on the date
16 of the trustee's sale, then the deed of trust must be foreclosed
17 judicially. Real property is used for agricultural purposes if it is
18 used in an operation that produces crops, livestock, or aquatic
19 goods;

20 (3) That a default has occurred in the obligation secured or a
21 covenant of the grantor, which by the terms of the deed of trust
22 makes operative the power to sell;

23 (4) That no action commenced by the beneficiary of the deed of
24 trust is now pending to seek satisfaction of an obligation secured by
25 the deed of trust in any court by reason of the grantor's default on
26 the obligation secured: PROVIDED, That (a) the seeking of the
27 appointment of a receiver, or the filing of a civil case to obtain
28 court approval to access, secure, maintain, and preserve property
29 from waste or nuisance, shall not constitute an action for purposes
30 of this chapter; and (b) if a receiver is appointed, the grantor
31 shall be entitled to any rents or profits derived from property
32 subject to a homestead as defined in RCW 6.13.010. If the deed of
33 trust was granted to secure a commercial loan, this subsection shall
34 not apply to actions brought to enforce any other lien or security
35 interest granted to secure the obligation secured by the deed of
36 trust being foreclosed;

37 (5) That the deed of trust has been recorded in each county in
38 which the land or some part thereof is situated;

1 (6) That prior to the date of the notice of trustee's sale and
2 continuing thereafter through the date of the trustee's sale, the
3 trustee must maintain a street address in this state where personal
4 service of process may be made, and the trustee must maintain a
5 physical presence and have telephone service at such address;

6 (7)(a) That, for residential real property of up to four units,
7 before the notice of trustee's sale is recorded, transmitted, or
8 served, the trustee shall have proof that the beneficiary is the
9 holder of any promissory note or other obligation secured by the deed
10 of trust. A declaration by the beneficiary made under the penalty of
11 perjury stating that the beneficiary is the holder of any promissory
12 note or other obligation secured by the deed of trust shall be
13 sufficient proof as required under this subsection.

14 (b) Unless the trustee has violated his or her duty under RCW
15 61.24.010(4), the trustee is entitled to rely on the beneficiary's
16 declaration as evidence of proof required under this subsection.

17 (c) This subsection (7) does not apply to association
18 beneficiaries subject to chapter (~~64.32, 64.34, or 64.38~~) 64.90
19 RCW;

20 (8) That at least 30 days before notice of sale shall be
21 recorded, transmitted or served, written notice of default and, for
22 residential real property of up to four units, the beneficiary
23 declaration specified in subsection (7)(a) of this section shall be
24 transmitted by the beneficiary or trustee to the borrower and grantor
25 at their last known addresses by both first-class and either
26 registered or certified mail, return receipt requested, and the
27 beneficiary or trustee shall cause to be posted in a conspicuous
28 place on the premises, a copy of the notice, or personally served on
29 the borrower and grantor. This notice shall contain the following
30 information:

31 (a) A description of the property which is then subject to the
32 deed of trust;

33 (b) A statement identifying each county in which the deed of
34 trust is recorded and the document number given to the deed of trust
35 upon recording by each county auditor or recording officer;

36 (c) A statement that the beneficiary has declared the borrower or
37 grantor to be in default, and a concise statement of the default
38 alleged;

39 (d) An itemized account of the amount or amounts in arrears if
40 the default alleged is failure to make payments;

1 (e) An itemized account of all other specific charges, costs, or
2 fees that the borrower, grantor, or any guarantor is or may be
3 obliged to pay to reinstate the deed of trust before the recording of
4 the notice of sale;

5 (f) A statement showing the total of (d) and (e) of this
6 subsection, designated clearly and conspicuously as the amount
7 necessary to reinstate the note and deed of trust before the
8 recording of the notice of sale;

9 (g) A statement that failure to cure the alleged default within
10 30 days of the date of mailing of the notice, or if personally
11 served, within 30 days of the date of personal service thereof, may
12 lead to recordation, transmittal, and publication of a notice of
13 sale, and that the property described in (a) of this subsection may
14 be sold at public auction at a date no less than 120 days in the
15 future, or no less than 150 days in the future if the borrower
16 received a letter under RCW 61.24.031;

17 (h) A statement that the effect of the recordation, transmittal,
18 and publication of a notice of sale will be to (i) increase the costs
19 and fees and (ii) publicize the default and advertise the grantor's
20 property for sale;

21 (i) A statement that the effect of the sale of the grantor's
22 property by the trustee will be to deprive the grantor of all their
23 interest in the property described in (a) of this subsection;

24 (j) A statement that the borrower, grantor, and any guarantor has
25 recourse to the courts pursuant to RCW 61.24.130 to contest the
26 alleged default on any proper ground;

27 (k) In the event the property secured by the deed of trust is
28 residential real property of up to four units, a statement,
29 prominently set out at the beginning of the notice, which shall state
30 as follows:

31 **"THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR**
32 **LOSING YOUR HOME.**

33 You may be eligible for mediation in front of a neutral third party
34 to help save your home.

35 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
36 to assess your situation and refer you to mediation if you might
37 benefit. Mediation **MUST** be requested between the time you receive the
38 Notice of Default and no later than **90 calendar days BEFORE the date**
39 **of sale** listed in the Notice of Trustee Sale. If an amended Notice of

1 Trustee Sale is recorded providing a 45-day notice of the sale,
2 mediation must be requested no later than **25 calendar days BEFORE the**
3 **date of sale** listed in the amended Notice of Trustee Sale.

4 **DO NOT DELAY.** If you do nothing, a notice of sale may be issued as
5 soon as 30 days from the date of this notice of default. The notice
6 of sale will provide a minimum of 120 days' notice of the date of the
7 actual foreclosure sale.

8 **BE CAREFUL** of people who claim they can help you. There are many
9 individuals and businesses that prey upon borrowers in distress.

10 **REFER TO THE CONTACTS BELOW** for sources of assistance.

11 **SEEKING ASSISTANCE**

12 Housing counselors and legal assistance may be available at little or
13 no cost to you. If you would like assistance in determining your
14 rights and opportunities to keep your house, you may contact the
15 following:

16 The statewide foreclosure hotline for assistance and referral to
17 housing counselors recommended by the Housing Finance Commission
18 Telephone: Website:

19 The United States Department of Housing and Urban Development
20 Telephone: Website:

21 The statewide civil legal aid hotline for assistance and referrals to
22 other housing counselors and attorneys
23 Telephone: Website:"

24 The beneficiary or trustee shall obtain the toll-free numbers and
25 website information from the department for inclusion in the notice;

26 (1) In the event the property secured by the deed of trust is
27 residential real property of up to four units, the name and address
28 of the holder of any promissory note or other obligation secured by
29 the deed of trust and the name, address, and telephone number of a
30 party acting as a servicer of the obligations secured by the deed of
31 trust;

32 (m) For notices issued after June 30, 2018, on the top of the
33 first page of the notice:

- 34 (i) The current beneficiary of the deed of trust;
- 35 (ii) The current mortgage servicer for the deed of trust; and
- 36 (iii) The current trustee for the deed of trust;

37 (9) That, for residential real property of up to four units,
38 before the notice of the trustee's sale is recorded, transmitted, or

1 served, the beneficiary has complied with RCW 61.24.031 and, if
2 applicable, RCW 61.24.163;

3 (10) That, in the case where the borrower or grantor is known to
4 the mortgage servicer or trustee to be deceased, the notice required
5 under subsection (8) of this section must be sent to any spouse,
6 child, or parent of the borrower or grantor known to the trustee or
7 mortgage servicer, and to any owner of record of the property, at any
8 address provided to the trustee or mortgage servicer, and to the
9 property addressed to the heirs and devisees of the borrower.

10 (a) If the name or address of any spouse, child, or parent of
11 such deceased borrower or grantor cannot be ascertained with use of
12 reasonable diligence, the trustee must execute and record with the
13 notice of sale a declaration attesting to the same.

14 (b) Reasonable diligence for the purposes of this subsection (10)
15 means the trustee shall search in the county where the property is
16 located, the public records and information for any obituary, will,
17 death certificate, or case in probate within the county for the
18 borrower and grantor;

19 (11) Upon written notice identifying the property address and the
20 name of the borrower to the servicer or trustee by someone claiming
21 to be a successor in interest to the borrower's or grantor's property
22 rights, but who is not a party to the loan or promissory note or
23 other obligation secured by the deed of trust, a trustee shall not
24 record a notice of sale pursuant to RCW 61.24.040 until the trustee
25 or mortgage servicer completes the following:

26 (a) Acknowledges the notice in writing and requests reasonable
27 documentation of the death of the borrower or grantor from the
28 claimant including, but not limited to, a death certificate or other
29 written evidence of the death of the borrower or grantor. Other
30 written evidence of the death of the borrower or grantor may include
31 an obituary, a published death notice, or documentation of an open
32 probate action for the estate of the borrower or grantor. The
33 claimant must be allowed 30 days from the date of this request to
34 present this documentation. If the trustee or mortgage servicer has
35 already obtained sufficient proof of the borrower's death, it may
36 proceed by acknowledging the claimant's notice in writing and issuing
37 a request under (b) of this subsection.

38 (b) If the mortgage servicer or trustee obtains or receives
39 written documentation of the death of the borrower or grantor from
40 the claimant, or otherwise independently confirms the death of the

1 borrower or grantor, then the servicer or trustee must request in
2 writing documentation from the claimant demonstrating the ownership
3 interest of the claimant in the real property. A claimant has 60 days
4 from the date of the request to present this documentation.
5 Documentation demonstrating the ownership interest of the claimant in
6 the real property includes, but is not limited to, one of the
7 following:

8 (i) Excerpts of a trust document noting the claimant as a
9 beneficiary of a trust with title to the real property;

10 (ii) A will of the borrower or grantor listing the claimant as an
11 heir or devisee with respect to the real property;

12 (iii) A probate order or finding of heirship issued by any court
13 documenting the claimant as an heir or devisee or awarding the real
14 property to the claimant;

15 (iv) A recorded lack of probate affidavit signed by any heir
16 listing the claimant as an heir of the borrower or grantor pursuant
17 to the laws of intestacy;

18 (v) A deed, such as a personal representative's deed, trustee's
19 deed issued on behalf of a trust, statutory warranty deed, transfer
20 on death deed, or other deed, giving any ownership interest to the
21 claimant resulting from the death of the borrower or grantor or
22 executed by the borrower or grantor for estate planning purposes; and

23 (vi) Other proof documenting the claimant as an heir of the
24 borrower or grantor pursuant to state rules of intestacy set forth in
25 chapter 11.04 RCW.

26 (c) If the mortgage servicer or trustee receives written
27 documentation demonstrating the ownership interest of the claimant
28 prior to the expiration of the 60 days provided in (b) of this
29 subsection, then the servicer or trustee must, within 20 days of
30 receipt of proof of ownership interest, provide the claimant with, at
31 a minimum, the loan balance, interest rate and interest reset dates
32 and amounts, balloon payments if any, prepayment penalties if any,
33 the basis for the default, the monthly payment amount, reinstatement
34 amounts or conditions, payoff amounts, and information on how and
35 where payments should be made. The mortgage servicers shall also
36 provide the claimant application materials and information, or a
37 description of the process, necessary to request a loan assumption
38 and modification.

39 (d) Upon receipt by the trustee or the mortgage servicer of the
40 documentation establishing claimant's ownership interest in the real

1 property, that claimant shall be deemed a "successor in interest" for
2 the purposes of this section.

3 (e) There may be more than one successor in interest to the
4 borrower's property rights. The trustee and mortgage servicer shall
5 apply the provisions of this section to each successor in interest.
6 In the case of multiple successors in interest, where one or more do
7 not wish to assume the loan as coborrowers or coapplicants, a
8 mortgage servicer may require any nonapplicant successor in interest
9 to consent in writing to the application for loan assumption.

10 (f) The existence of a successor in interest under this section
11 does not impose an affirmative duty on a mortgage servicer or alter
12 any obligation the mortgage servicer has to provide a loan
13 modification to the successor in interest. If a successor in interest
14 assumes the loan, he or she may be required to otherwise qualify for
15 available foreclosure prevention alternatives offered by the mortgage
16 servicer.

17 (g) (c), (e), and (f) of this subsection (11) do not apply to
18 association beneficiaries subject to chapter (~~64.32, 64.34, or~~
19 ~~64.38~~) 64.90 RCW; and

20 (12) Nothing in this section shall prejudice the right of the
21 mortgage servicer or beneficiary from discontinuing any foreclosure
22 action initiated under the deed of trust act in favor of other
23 allowed methods for pursuit of foreclosure of the security interest
24 or deed of trust security interest.

25 **Sec. 411.** RCW 61.24.031 and 2021 c 151 s 4 are each amended to
26 read as follows:

27 (1)(a) A trustee, beneficiary, or authorized agent may not issue
28 a notice of default under RCW 61.24.030(8) until: (i) Thirty days
29 after satisfying the due diligence requirements as described in
30 subsection (5) of this section and the borrower has not responded; or
31 (ii) if the borrower responds to the initial contact, ninety days
32 after the initial contact with the borrower was initiated.

33 (b) A beneficiary or authorized agent shall make initial contact
34 with the borrower by letter to provide the borrower with information
35 required under (c) of this subsection and by telephone as required
36 under subsection (5) of this section. The letter required under this
37 subsection must be mailed in accordance with subsection (5)(a) of
38 this section and must include the information described in (c) of

1 this subsection and subsection (5)(e)(i) through (iv) of this
2 section.

3 (c) The letter required under this subsection, developed by the
4 department pursuant to RCW 61.24.033, at a minimum shall include:

5 (i) A paragraph printed in no less than twelve-point font and
6 bolded that reads:

7 "You must respond within thirty days of the date of this letter.
8 IF YOU DO NOT RESPOND within thirty days, a notice of default may be
9 issued and you may lose your home in foreclosure.

10 IF YOU DO RESPOND within thirty days of the date of this letter,
11 you will have an additional sixty days to meet with your lender
12 before a notice of default may be issued.

13 You should contact a housing counselor or attorney as soon as
14 possible. Failure to contact a housing counselor or attorney may
15 result in your losing certain opportunities, such as meeting with
16 your lender or participating in mediation in front of a neutral third
17 party. A housing counselor or attorney can help you work with your
18 lender to avoid foreclosure.

19 If you filed bankruptcy or have been discharged in bankruptcy,
20 this communication is not intended as an attempt to collect a debt
21 from you personally, but is notice of enforcement of the deed of
22 trust lien against the property. If you wish to avoid foreclosure and
23 keep your property, this notice sets forth your rights and options.";

24 (ii) The toll-free telephone number from the United States
25 department of housing and urban development to find a department-
26 approved housing counseling agency, the toll-free numbers for the
27 statewide foreclosure hotline recommended by the housing finance
28 commission, and the statewide civil legal aid hotline for assistance
29 and referrals to other housing counselors and attorneys;

30 (iii) A paragraph stating that a housing counselor may be
31 available at little or no cost to the borrower and that whether or
32 not the borrower contacts a housing counselor or attorney, the
33 borrower has the right to request a meeting with the beneficiary; and

34 (iv) A paragraph explaining how the borrower may respond to the
35 letter and stating that after responding the borrower will have an
36 opportunity to meet with his or her beneficiary in an attempt to
37 resolve and try to work out an alternative to the foreclosure and
38 that, after ninety days from the date of the letter, a notice of
39 default may be issued, which starts the foreclosure process.

1 (d) If the beneficiary has exercised due diligence as required
2 under subsection (5) of this section and the borrower does not
3 respond by contacting the beneficiary within thirty days of the
4 initial contact, the notice of default may be issued. "Initial
5 contact" with the borrower is considered made three days after the
6 date the letter required in (b) of this subsection is sent.

7 (e) If a meeting is requested by the borrower or the borrower's
8 housing counselor or attorney, the beneficiary or authorized agent
9 shall schedule the meeting to occur before the notice of default is
10 issued. An assessment of the borrower's financial ability to modify
11 or restructure the loan obligation and a discussion of options must
12 occur during the meeting scheduled for that purpose.

13 (f) The meeting scheduled to assess the borrower's financial
14 ability to modify or restructure the loan obligation and discuss
15 options to avoid foreclosure may be held telephonically, unless the
16 borrower or borrower's representative requests in writing that a
17 meeting be held in person. The written request for an in-person
18 meeting must be made within thirty days of the initial contact with
19 the borrower. If the meeting is requested to be held in person, the
20 meeting must be held in the county where the property is located
21 unless the parties agree otherwise. A person who is authorized to
22 agree to a resolution, including modifying or restructuring the loan
23 obligation or other alternative resolution to foreclosure on behalf
24 of the beneficiary, must be present either in person or on the
25 telephone or videoconference during the meeting.

26 (2) A notice of default issued under RCW 61.24.030(8) must
27 include a declaration, as provided in subsection (9) of this section,
28 from the beneficiary or authorized agent that it has contacted the
29 borrower as provided in subsection (1) of this section, it has tried
30 with due diligence to contact the borrower under subsection (5) of
31 this section, or the borrower has surrendered the property to the
32 trustee, beneficiary, or authorized agent. Unless the trustee has
33 violated his or her duty under RCW 61.24.010(4), the trustee is
34 entitled to rely on the declaration as evidence that the requirements
35 of this section have been satisfied, and the trustee is not liable
36 for the beneficiary's or its authorized agent's failure to comply
37 with the requirements of this section.

38 (3) If, after the initial contact under subsection (1) of this
39 section, a borrower has designated a housing counseling agency,
40 housing counselor, or attorney to discuss with the beneficiary or

1 authorized agent, on the borrower's behalf, options for the borrower
2 to avoid foreclosure, the borrower shall inform the beneficiary or
3 authorized agent and provide the contact information to the
4 beneficiary or authorized agent. The beneficiary or authorized agent
5 shall contact the designated representative for the borrower to meet.

6 (4) The beneficiary or authorized agent and the borrower or the
7 borrower's representative shall attempt to reach a resolution for the
8 borrower within the ninety days from the time the initial contact is
9 sent and the notice of default is issued. A resolution may include,
10 but is not limited to, a loan modification, an agreement to conduct a
11 short sale, or a deed in lieu of foreclosure transaction, or some
12 other workout plan. Any modification or workout plan offered at the
13 meeting with the borrower's designated representative by the
14 beneficiary or authorized agent is subject to approval by the
15 borrower.

16 (5) A notice of default may be issued under RCW 61.24.030(8) if a
17 beneficiary or authorized agent has initiated contact with the
18 borrower as required under subsection (1)(b) of this section and the
19 failure to meet with the borrower occurred despite the due diligence
20 of the beneficiary or authorized agent. Due diligence requires the
21 following:

22 (a) A beneficiary or authorized agent shall first attempt to
23 contact a borrower by sending, by both first-class and either
24 registered or certified mail, return receipt requested, a letter to
25 the address in the beneficiary's records for sending account
26 statements to the borrower and to the address of the property
27 encumbered by the deed of trust. The letter must be the letter
28 described in subsection (1)(c) of this section.

29 (b)(i) After the letter has been sent, the beneficiary or
30 authorized agent shall attempt to contact the borrower by telephone
31 at least three times at different hours and on different days.
32 Telephone calls must be made to the primary and secondary telephone
33 numbers on file with the beneficiary or authorized agent.

34 (ii) A beneficiary or authorized agent may attempt to contact a
35 borrower using an automated system to dial borrowers if the telephone
36 call, when answered, is connected to a live representative of the
37 beneficiary or authorized agent.

38 (iii) A beneficiary or authorized agent satisfies the telephone
39 contact requirements of this subsection (5)(b) if the beneficiary or
40 authorized agent determines, after attempting contact under this

1 subsection (5)(b), that the borrower's primary telephone number and
2 secondary telephone number or numbers on file, if any, have been
3 disconnected or are not good contact numbers for the borrower.

4 (iv) The telephonic contact under this subsection (5)(b) does not
5 constitute the meeting under subsection (1)(f) of this section.

6 (c) If the borrower does not respond within fourteen days after
7 the telephone call requirements of (b) of this subsection have been
8 satisfied, the beneficiary or authorized agent shall send a certified
9 letter, with return receipt requested, to the borrower at the address
10 in the beneficiary's records for sending account statements to the
11 borrower and to the address of the property encumbered by the deed of
12 trust. The letter must include the information described in (e)(i)
13 through (iv) of this subsection. The letter must also include a
14 paragraph stating: "Your failure to contact a housing counselor or
15 attorney may result in your losing certain opportunities, such as
16 meeting with your lender or participating in mediation in front of a
17 neutral third party."

18 (d) The beneficiary or authorized agent shall provide a means for
19 the borrower to contact the beneficiary or authorized agent in a
20 timely manner, including a toll-free telephone number or charge-free
21 equivalent that will provide access to a live representative during
22 business hours for the purpose of initiating and scheduling the
23 meeting under subsection (1)(f) of this section.

24 (e) The beneficiary or authorized agent shall post a link on the
25 home page of the beneficiary's or authorized agent's internet
26 website, if any, to the following information:

27 (i) Options that may be available to borrowers who are unable to
28 afford their mortgage payments and who wish to avoid foreclosure, and
29 instructions to borrowers advising them on steps to take to explore
30 those options;

31 (ii) A list of financial documents borrowers should collect and
32 be prepared to present to the beneficiary or authorized agent when
33 discussing options for avoiding foreclosure;

34 (iii) A toll-free telephone number or charge-free equivalent for
35 borrowers who wish to discuss options for avoiding foreclosure with
36 their beneficiary or authorized agent; and

37 (iv) The toll-free telephone number or charge-free equivalent
38 made available by the department to find a department-approved
39 housing counseling agency.

1 (6) Subsections (1) and (5) of this section do not apply if the
2 borrower has surrendered the property as evidenced by either a letter
3 confirming the surrender or delivery of the keys to the property to
4 the trustee, beneficiary, or authorized agent.

5 (7) (a) This section applies only to deeds of trust that are
6 recorded against residential real property of up to four units. This
7 section does not apply to deeds of trust: (i) Securing a commercial
8 loan; (ii) securing obligations of a grantor who is not the borrower
9 or a guarantor; or (iii) securing a purchaser's obligations under a
10 seller-financed sale.

11 (b) This section does not apply to association beneficiaries
12 subject to chapter (~~64.32, 64.34, or 64.38~~) 64.90 RCW.

13 (8) As used in this section:

14 (a) "Department" means the United States department of housing
15 and urban development.

16 (b) "Seller-financed sale" means a residential real property
17 transaction where the seller finances all or part of the purchase
18 price, and that financed amount is secured by a deed of trust against
19 the subject residential real property.

20 (9) The form of declaration to be provided by the beneficiary or
21 authorized agent as required under subsection (2) of this section
22 must be in substantially the following form:

23 **"FORECLOSURE LOSS MITIGATION FORM**

24 **Please select applicable option(s) below.**

25 The undersigned beneficiary or authorized agent for the
26 beneficiary hereby represents and declares under the penalty of
27 perjury that [check the applicable box and fill in any blanks so that
28 the beneficiary, authorized agent, or trustee can insert, on the
29 beneficiary's behalf, the applicable declaration in the notice of
30 default required under chapter 61.24 RCW]:

31 (1) [] The beneficiary or beneficiary's authorized agent has
32 contacted the borrower under, and has complied with, RCW 61.24.031
33 (contact provision to "assess the borrower's financial ability to pay
34 the debt secured by the deed of trust and explore options for the
35 borrower to avoid foreclosure") and the borrower responded but did
36 not request a meeting.

37 (2) [] The beneficiary or beneficiary's authorized agent has
38 contacted the borrower as required under RCW 61.24.031 and the
39 borrower or the borrower's designated representative requested a

1 meeting. A meeting was held on (insert date, time, and location/
2 telephonic here) in compliance with RCW 61.24.031.

3 (3) [] The beneficiary or beneficiary's authorized agent has
4 contacted the borrower as required in RCW 61.24.031 and the borrower
5 or the borrower's designated representative requested a meeting. A
6 meeting was scheduled for (insert date, time, and location/telephonic
7 here) and neither the borrower nor the borrower's designated
8 representative appeared.

9 (4) [] The beneficiary or beneficiary's authorized agent has
10 exercised due diligence to contact the borrower as required in RCW
11 61.24.031(5) and the borrower did not respond.

12 (5) [] The borrower has surrendered the secured property as
13 evidenced by either a letter confirming the surrender or by delivery
14 of the keys to the secured property to the beneficiary, the
15 beneficiary's authorized agent or to the trustee.

16 Additional Optional Explanatory Comments:
17 "

18 **Sec. 412.** RCW 61.24.040 and 2023 c 206 s 3 are each amended to
19 read as follows:

20 A deed of trust foreclosed under this chapter shall be foreclosed
21 as follows:

22 (1) At least 90 days before the sale, or if a letter under RCW
23 61.24.031 is required, at least 120 days before the sale, the trustee
24 shall:

25 (a) Record a notice in the form described in subsection (2) of
26 this section in the office of the auditor in each county in which the
27 deed of trust is recorded;

28 (b) To the extent the trustee elects to foreclose its lien or
29 interest, or the beneficiary elects to preserve its right to seek a
30 deficiency judgment against a borrower or grantor under RCW
31 61.24.100(3)(a), and if their addresses are stated in a recorded
32 instrument evidencing their interest, lien, or claim of lien, or an
33 amendment thereto, or are otherwise known to the trustee, cause a
34 copy of the notice of sale described in subsection (2) of this
35 section to be transmitted by both first-class and either certified or
36 registered mail, return receipt requested, to the following persons
37 or their legal representatives, if any, at such address:

38 (i) (A) The borrower and grantor;

1 (B) In the case where the borrower or grantor is deceased, to any
2 successors in interest. If no successor in interest has been
3 established, then to any spouse, child, or parent of the borrower or
4 grantor, at the addresses discovered by the trustee pursuant to RCW
5 61.24.030(10);

6 (ii) The beneficiary of any deed of trust or mortgagee of any
7 mortgage, or any person who has a lien or claim of lien against the
8 property, that was recorded subsequent to the recordation of the deed
9 of trust being foreclosed and before the recordation of the notice of
10 sale;

11 (iii) The vendee in any real estate contract, the lessee in any
12 lease, or the holder of any conveyances of any interest or estate in
13 any portion or all of the property described in such notice, if that
14 contract, lease, or conveyance of such interest or estate, or a
15 memorandum or other notice thereof, was recorded after the
16 recordation of the deed of trust being foreclosed and before the
17 recordation of the notice of sale;

18 (iv) The last holder of record of any other lien against or
19 interest in the property that is subject to a subordination to the
20 deed of trust being foreclosed that was recorded before the
21 recordation of the notice of sale;

22 (v) The last holder of record of the lien of any judgment
23 subordinate to the deed of trust being foreclosed; and

24 (vi) The occupants of property consisting solely of a single-
25 family residence, or a condominium, cooperative, or other dwelling
26 unit in a multiplex or other building containing fewer than five
27 residential units, whether or not the occupant's rental agreement is
28 recorded, which notice may be a single notice addressed to
29 "occupants" for each unit known to the trustee or beneficiary;

30 (c) Cause a copy of the notice of sale described in subsection
31 (2) of this section to be transmitted by both first-class and either
32 certified or registered mail, return receipt requested, to the
33 plaintiff or the plaintiff's attorney of record, in any court action
34 to foreclose a lien or other encumbrance on all or any part of the
35 property, provided a court action is pending and a lis pendens in
36 connection therewith is recorded in the office of the auditor of any
37 county in which all or part of the property is located on the date
38 the notice is recorded;

39 (d) Cause a copy of the notice of sale described in subsection
40 (2) of this section to be transmitted by both first-class and either

1 certified or registered mail, return receipt requested, to any person
2 who has recorded a request for notice in accordance with RCW
3 61.24.045, at the address specified in such person's most recently
4 recorded request for notice;

5 (e) Cause a copy of the notice of sale described in subsection
6 (2) of this section to be posted in a conspicuous place on the
7 property, or in lieu of posting, cause a copy of said notice to be
8 served upon any occupant of the property.

9 (2)(a) If foreclosing on a commercial loan under RCW
10 61.24.005(4), the title of the document must be "Notice of Trustee's
11 Sale of Commercial Loan(s)";

12 (b) In addition to all other indexing requirements, the notice
13 required in subsection (1) of this section must clearly indicate on
14 the first page the following information, which the auditor will
15 index:

16 (i) The document number or numbers given to the deed of trust
17 upon recording;

18 (ii) The parcel number(s);

19 (iii) The grantor;

20 (iv) The current beneficiary of the deed of trust;

21 (v) The current trustee of the deed of trust; and

22 (vi) The current loan mortgage servicer of the deed of trust;

23 (c) Nothing in this section:

24 (i) Requires a trustee or beneficiary to cause to be recorded any
25 new notice of trustee's sale upon transfer of the beneficial interest
26 in a deed of trust or the servicing rights for the associated
27 mortgage loan;

28 (ii) Relieves a mortgage loan servicer of any obligation to
29 provide the borrower with notice of a transfer of servicing rights or
30 other legal obligations related to the transfer; or

31 (iii) Prevents the trustee from disclosing the beneficiary's
32 identity to the borrower and to county and municipal officials
33 seeking to abate nuisance and abandoned property in foreclosure
34 pursuant to chapter 35.21 RCW;

35 (d) The notice must be in substantially the following form:

36 NOTICE OF TRUSTEE'S SALE

37 Grantor:

38 Current beneficiary of the deed of trust:

39 Current trustee of the deed of trust:

1 Current mortgage servicer of the deed of trust:
2 Reference number of the deed of trust:
3 Parcel number(s):

4 I.

5 NOTICE IS HEREBY GIVEN that the undersigned Trustee will on
6 the day of, . . ., at the hour of
7 o'clock M. at
8 [street
9 address and location if inside a building] in the City
10 of, State of Washington, sell at public auction to the
11 highest and best bidder, payable at the time of sale, the following
12 described real property, situated in the County(ies) of,
13 State of Washington, to-wit:

14 [If any personal property is to be included in the trustee's
15 sale, include a description that reasonably identifies such
16 personal property]

17 which is subject to that certain Deed of Trust
18 dated, . . ., recorded, . . ., under
19 Auditor's File No., records of County,
20 Washington, from, as Grantor, to,
21 as Trustee, to secure an obligation in favor of, as
22 Beneficiary, the beneficial interest in which was assigned
23 by, under an Assignment recorded under Auditor's
24 File No. [Include recording information for all counties if
25 the Deed of Trust is recorded in more than one county.]

26 II.

27 No action commenced by the Beneficiary of the Deed of Trust is now
28 pending to seek satisfaction of the obligation in any Court by reason
29 of the Borrower's or Grantor's default on the obligation secured by
30 the Deed of Trust.

31 [If there is another action pending to foreclose other
32 security for all or part of the same debt, qualify the
33 statement and identify the action.]

34 III.

35 The default(s) for which this foreclosure is made is/are as follows:

1 [If default is for other than payment of money, set forth the
2 particulars]

3 Failure to pay when due the following amounts which are now in
4 arrears:

5 IV.

6 The sum owing on the obligation secured by the Deed of Trust is:
7 Principal \$, together with interest as provided in the
8 note or other instrument secured from the day
9 of, . . ., and such other costs and fees as are due under
10 the note or other instrument secured, and as are provided by statute.

11 V.

12 The above-described real property will be sold to satisfy the expense
13 of sale and the obligation secured by the Deed of Trust as provided
14 by statute. The sale will be made without warranty, express or
15 implied, regarding title, possession, or encumbrances on the
16 day of, . . . The default(s) referred to in paragraph III
17 must be cured by the day of, . . . (11 days
18 before the sale date), to cause a discontinuance of the sale. The
19 sale will be discontinued and terminated if at any time on or before
20 the day of, . . ., (11 days before the sale
21 date), the default(s) as set forth in paragraph III is/are cured and
22 the Trustee's fees and costs are paid. The sale may be terminated any
23 time after the day of, . . . (11 days before the
24 sale date), and before the sale by the Borrower, Grantor, any
25 Guarantor, or the holder of any recorded junior lien or encumbrance
26 paying the entire principal and interest secured by the Deed of
27 Trust, plus costs, fees, and advances, if any, made pursuant to the
28 terms of the obligation and/or Deed of Trust, and curing all other
29 defaults.

30 VI.

31 A written notice of default was transmitted by the Beneficiary or
32 Trustee to the Borrower and Grantor at the following addresses:
33 by both first-class and certified mail on the day
34 of, . . ., proof of which is in the possession of the
35 Trustee; and the Borrower and Grantor were personally served on
36 the day of, . . ., with said written notice of
37 default or the written notice of default was posted in a conspicuous

1 place on the real property described in paragraph I above, and the
2 Trustee has possession of proof of such service or posting.

3 VII.

4 The Trustee whose name and address are set forth below will provide
5 in writing to anyone requesting it, a statement of all costs and fees
6 due at any time prior to the sale.

7 VIII.

8 The effect of the sale will be to deprive the Grantor and all those
9 who hold by, through or under the Grantor of all their interest in
10 the above-described property.

11 IX.

12 Anyone having any objection to the sale on any grounds whatsoever
13 will be afforded an opportunity to be heard as to those objections if
14 they bring a lawsuit to restrain the sale pursuant to RCW 61.24.130.
15 Failure to bring such a lawsuit may result in a waiver of any proper
16 grounds for invalidating the Trustee's sale.

17 [Add Part X to this notice if applicable under RCW 61.24.040(11)]

18

19 , Trustee

20 }
21 }
22 }

23 Address

24
25

26 } Phone
27

28 [Acknowledgment]

29 (3) If the borrower received a letter under RCW 61.24.031, the
30 notice specified in subsection (2)(d) of this section shall also
31 include the following additional language:

32 **"THIS NOTICE IS THE FINAL STEP BEFORE THE FORECLOSURE SALE OF YOUR**
33 **HOME.**

34 You have only **until 90 calendar days BEFORE the date of sale** listed
35 in this Notice of Trustee Sale to be referred to mediation. If this

1 is an amended Notice of Trustee Sale providing a 45-day notice of the
2 sale, mediation must be requested no later than **25 calendar days**
3 **BEFORE the date of sale** listed in this amended Notice of Trustee
4 Sale.

5 **DO NOT DELAY. CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN**
6 **WASHINGTON NOW** to assess your situation and refer you to mediation if
7 you are eligible and it may help you save your home. See below for
8 safe sources of help.

9 **SEEKING ASSISTANCE**

10 Housing counselors and legal assistance may be available at little or
11 no cost to you. If you would like assistance in determining your
12 rights and opportunities to keep your house, you may contact the
13 following:

14 The statewide foreclosure hotline for assistance and referral to
15 housing counselors recommended by the Housing Finance Commission
16 Telephone: Website:

17 The United States Department of Housing and Urban Development
18 Telephone: Website:

19 The statewide civil legal aid hotline for assistance and referrals to
20 other housing counselors and attorneys
21 Telephone: Website:"

22 The beneficiary or trustee shall obtain the toll-free numbers and
23 website information from the department for inclusion in the notice;

24 (4) In addition to providing the borrower and grantor the notice
25 of sale described in subsection (2) of this section, the trustee
26 shall include with the copy of the notice which is mailed to the
27 grantor, a statement to the grantor in substantially the following
28 form:

29 **NOTICE OF FORECLOSURE**
30 Pursuant to the Revised Code of Washington,
31 Chapter 61.24 RCW

32 The attached Notice of Trustee's Sale is a consequence of
33 default(s) in the obligation to, the Beneficiary of your
34 Deed of Trust and holder of the obligation secured thereby. Unless
35 the default(s) is/are cured, your property will be sold at auction on
36 the day of, . . .

37 To cure the default(s), you must bring the payments current, cure
38 any other defaults, and pay accrued late charges and other costs,

1 advances, and attorneys' fees as set forth below by the day
 2 of, . . . [11 days before the sale date]. To date, these
 3 arrears and costs are as follows:

		Estimated amount
	Currently due	that will be due
	to reinstate	to reinstate
	on	on

		(11 days before the date set for sale)
12	Delinquent payments	
13	from,	
14	. . ., in the	
15	amount of	
16	\$. . . /mo.:	\$ \$
17	Late charges in	
18	the total	
19	amount of:	\$ \$
20		Estimated
21		Amounts
22	Attorneys' fees:	\$ \$
23	Trustee's fee:	\$ \$
24	Trustee's expenses:	
25	(Itemization)	
26	Title report	\$ \$
27	Recording fees	\$ \$
28	Service/Posting	
29	of Notices	\$ \$
30	Postage/Copying	
31	expense	\$ \$
32	Publication	\$ \$
33	Telephone	\$
34	charges	\$
35	Inspection fees	\$ \$

1	\$....	\$....
2	\$....	\$....
3	TOTALS	\$....	\$....

4 To pay off the entire obligation secured by your Deed of Trust as
5 of the day of you must pay a total of
6 \$. . . . in principal, \$. . . . in interest, plus other costs and
7 advances estimated to date in the amount of \$. . . . From and
8 after the date of this notice you must submit a written request to
9 the Trustee to obtain the total amount to pay off the entire
10 obligation secured by your Deed of Trust as of the payoff date.

11 As to the defaults which do not involve payment of money to the
12 Beneficiary of your Deed of Trust, you must cure each such default.
13 Listed below are the defaults which do not involve payment of money
14 to the Beneficiary of your Deed of Trust. Opposite each such listed
15 default is a brief description of the action necessary to cure the
16 default and a description of the documentation necessary to show that
17 the default has been cured.

18	Default	Description of Action Required to Cure and
19		Documentation Necessary to Show Cure
20
21	
22	
23
24	
25	

26 You may reinstate your Deed of Trust and the obligation secured
27 thereby at any time up to and including the day
28 of, . . . [11 days before the sale date], by paying the
29 amount set forth or estimated above and by curing any other defaults
30 described above. Of course, as time passes other payments may become
31 due, and any further payments coming due and any additional late
32 charges must be added to your reinstating payment. Any new defaults
33 not involving payment of money that occur after the date of this
34 notice must also be cured in order to effect reinstatement. In
35 addition, because some of the charges can only be estimated at this
36 time, and because the amount necessary to reinstate or to pay off the
37 entire indebtedness may include presently unknown expenditures

1 required to preserve the property or to comply with state or local
2 law, it will be necessary for you to contact the Trustee before the
3 time you tender reinstatement or the payoff amount so that you may be
4 advised of the exact amount you will be required to pay. Tender of
5 payment or performance must be made to:, whose address
6 is, telephone () AFTER THE DAY
7 OF, . . ., YOU MAY NOT REINSTATE YOUR DEED OF TRUST BY
8 PAYING THE BACK PAYMENTS AND COSTS AND FEES AND CURING THE OTHER
9 DEFAULTS AS OUTLINED ABOVE. The Trustee will respond to any written
10 request for current payoff or reinstatement amounts within 10 days of
11 receipt of your written request. In such a case, you will only be
12 able to stop the sale by paying, before the sale, the total principal
13 balance (\$) plus accrued interest, costs and advances, if
14 any, made pursuant to the terms of the documents and by curing the
15 other defaults as outlined above.

16 You may contest this default by initiating court action in the
17 Superior Court of the county in which the sale is to be held. In such
18 action, you may raise any legitimate defenses you have to this
19 default. A copy of your Deed of Trust and documents evidencing the
20 obligation secured thereby are enclosed. You may wish to consult a
21 lawyer. Legal action on your part may prevent or restrain the sale,
22 but only if you persuade the court of the merits of your defense. You
23 may contact the Department of Financial Institutions or the statewide
24 civil legal aid hotline for possible assistance or referrals.

25 The court may grant a restraining order or injunction to restrain
26 a trustee's sale pursuant to RCW 61.24.130 upon five days notice to
27 the trustee of the time when, place where, and the judge before whom
28 the application for the restraining order or injunction is to be
29 made. This notice shall include copies of all pleadings and related
30 documents to be given to the judge. Notice and other process may be
31 served on the trustee at:

32 NAME:

33 ADDRESS:

34

35 TELEPHONE NUMBER:

36 If you do not reinstate the secured obligation and your Deed of
37 Trust in the manner set forth above, or if you do not succeed in
38 restraining the sale by court action, your property will be sold. The

1 effect of such sale will be to deprive you and all those who hold by,
2 through or under you of all interest in the property;

3 (5) In addition, the trustee shall cause a copy of the notice of
4 sale described in subsection (2)(d) of this section (excluding the
5 acknowledgment) to be published in a legal newspaper in each county
6 in which the property or any part thereof is situated, once on or
7 between the 35th and 28th day before the date of sale, and once on or
8 between the 14th and seventh day before the date of sale;

9 (6) In the case where no successor in interest has been
10 established, and neither the beneficiary nor the trustee are able to
11 ascertain the name and address of any spouse, child, or parent of the
12 borrower or grantor in the manner described in RCW 61.24.030(10),
13 then the trustee may, in addition to mailing notice to the property
14 addressed to the unknown heirs and devisees of the grantor, serve the
15 notice of sale by publication in a newspaper of general circulation
16 in the county or city where the property is located once per week for
17 three consecutive weeks. Upon this service by publication, to be
18 completed not less than 30 days prior to the date the sale is
19 conducted, all unknown heirs shall be deemed served with the notice
20 of sale;

21 (7) (a) If a servicer or trustee receives notification by someone
22 claiming to be a successor in interest to the borrower or grantor, as
23 under RCW 61.24.030(11), after the recording of the notice of sale,
24 the trustee or servicer must request written documentation within
25 five days demonstrating the ownership interest, provided that, the
26 trustee may, but is not required to, postpone a trustee's sale upon
27 receipt of such notification by someone claiming to be a successor in
28 interest.

29 (b) Upon receipt of documentation establishing a claimant as a
30 successor in interest, the servicer must provide the information in
31 RCW 61.24.030(11)(c). Only if the servicer or trustee receives the
32 documentation confirming someone as successor in interest more than
33 45 days before the scheduled sale must the servicer then provide the
34 information in RCW 61.24.030(11)(c) to the claimant not less than 20
35 days prior to the sale.

36 (c) (b) of this subsection (7) does not apply to association
37 beneficiaries subject to chapter (~~64.32, 64.34, or 64.38~~) 64.90
38 RCW;

39 (8) On the date and at the time designated in the notice of sale,
40 the trustee or its authorized agent shall sell the property at public

1 auction to the highest bidder. The trustee may sell the property in
2 gross or in parcels as the trustee shall deem most advantageous;

3 (9) The place of sale shall be at any designated public place
4 within the county where the property is located and if the property
5 is in more than one county, the sale may be in any of the counties
6 where the property is located. The sale shall be on Friday, or if
7 Friday is a legal holiday on the following Monday, and during the
8 hours set by statute for the conduct of sales of real estate at
9 execution;

10 (10) The trustee has no obligation to, but may, for any cause the
11 trustee deems advantageous, continue the sale for a period or periods
12 not exceeding a total of 120 days by (a) a public proclamation at the
13 time and place fixed for sale in the notice of sale and if the
14 continuance is beyond the date of sale, by giving notice of the new
15 time and place of the sale by both first class and either certified
16 or registered mail, return receipt requested, to the persons
17 specified in subsection (1)(b)(i) and (ii) of this section to be
18 deposited in the mail (i) not less than four days before the new date
19 fixed for the sale if the sale is continued for up to seven days; or
20 (ii) not more than three days after the date of the continuance by
21 oral proclamation if the sale is continued for more than seven days,
22 or, alternatively, (b) by giving notice of the time and place of the
23 postponed sale in the manner and to the persons specified in
24 subsection (1)(b), (c), (d), and (e) of this section and publishing a
25 copy of such notice once in the newspaper(s) described in subsection
26 (5) of this section, more than seven days before the date fixed for
27 sale in the notice of sale. No other notice of the postponed sale
28 need be given;

29 (11) The purchaser shall forthwith pay the price bid. On payment
30 and subject to RCW 61.24.050, the trustee shall execute to the
31 purchaser its deed. The deed shall recite the facts showing that the
32 sale was conducted in compliance with all of the requirements of this
33 chapter and of the deed of trust, which recital shall be prima facie
34 evidence of such compliance and conclusive evidence thereof in favor
35 of bona fide purchasers and encumbrancers for value, except that
36 these recitals shall not affect the lien or interest of any person
37 entitled to notice under subsection (1) of this section, if the
38 trustee fails to give the required notice to such person. In such
39 case, the lien or interest of such omitted person shall not be
40 affected by the sale and such omitted person shall be treated as if

1 such person was the holder of the same lien or interest and was
2 omitted as a party defendant in a judicial foreclosure proceeding;

3 (12) The sale as authorized under this chapter shall not take
4 place less than 190 days from the date of default in any of the
5 obligations secured;

6 (13) If the trustee elects to foreclose the interest of any
7 occupant or tenant of property comprised solely of a single-family
8 residence, or a condominium, cooperative, or other dwelling unit in a
9 multiplex or other building containing fewer than five residential
10 units, the following notice shall be included as Part X of the Notice
11 of Trustee's Sale:

12 X. NOTICE TO OCCUPANTS OR TENANTS

13 The purchaser at the trustee's sale is entitled to possession of the
14 property on the 20th day following the sale, as against the grantor
15 under the deed of trust (the owner) and anyone having an interest
16 junior to the deed of trust, including occupants who are not tenants.
17 After the 20th day following the sale the purchaser has the right to
18 evict occupants who are not tenants by summary proceedings under
19 chapter 59.12 RCW. For tenant-occupied property, the purchaser shall
20 provide a tenant with written notice in accordance with RCW
21 61.24.060;

22 (14) Only one copy of all notices required by this chapter need
23 be given to a person who is both the borrower and the grantor. All
24 notices required by this chapter that are given to a general
25 partnership are deemed given to each of its general partners, unless
26 otherwise agreed by the parties.

27 **Sec. 413.** RCW 61.24.165 and 2023 c 206 s 6 are each amended to
28 read as follows:

29 (1) RCW 61.24.163 applies only to deeds of trust that are
30 recorded against residential real property of up to four units.

31 (2) RCW 61.24.163 does not apply to deeds of trust:

32 (a) Securing a commercial loan;

33 (b) Securing obligations of a grantor who is not the borrower or
34 a guarantor;

35 (c) Securing a purchaser's obligations under a seller-financed
36 sale; or

37 (d) Where the grantor is a partnership, corporation, or limited
38 liability company, or where the property is vested in a partnership,

1 corporation, or limited liability company at the time the notice of
2 default is issued.

3 (3) RCW 61.24.163 does not apply to association beneficiaries
4 subject to chapter ((~~64.32, 64.34, or 64.38~~)) 64.90 RCW.

5 (4) For purposes of referral and mediation under RCW 61.24.163, a
6 person may be referred to mediation if the borrower is deceased and
7 the person is a successor in interest of the deceased borrower. The
8 referring counselor or attorney must determine a person's eligibility
9 under this section and indicate the grounds for eligibility on the
10 referral to mediation submitted to the department. For the purposes
11 of mediation under RCW 61.24.163, the person must be treated as a
12 "borrower." This subsection does not impose an affirmative duty on
13 the beneficiary to accept an assumption of the loan.

14 (5) For purposes of referral and mediation under RCW 61.24.163, a
15 person may be referred to mediation if the person has been awarded
16 title to the property in a proceeding for dissolution or legal
17 separation. The referring counselor or attorney must determine the
18 person's eligibility under this section and indicate the grounds for
19 eligibility on the referral to mediation submitted to the department.
20 For the purposes of mediation under RCW 61.24.163, the person must be
21 treated as a "borrower." This subsection does not impose an
22 affirmative duty on the beneficiary to accept an assumption of the
23 loan.

24 **Sec. 414.** RCW 61.24.190 and 2023 c 206 s 8 are each amended to
25 read as follows:

26 (1) Except as provided in subsections (6) and (7) of this
27 section, beginning January 1, 2022, and every quarter thereafter,
28 every beneficiary issuing notices of default, or causing notices of
29 default to be issued on its behalf, on residential real property
30 under this chapter must:

31 (a) Report to the department, on a form approved by the
32 department, the total number of residential real properties for which
33 the beneficiary has issued a notice of default during the previous
34 quarter, together with the street address, city, and zip code;

35 (b) Remit the amount required under subsection (2) of this
36 section; and

37 (c) Report and update beneficiary contact information for the
38 person and work group responsible for the beneficiary's compliance

1 with the requirements of the foreclosure fairness act created in this
2 chapter.

3 (2) For each residential real property for which a notice of
4 default has been issued, the beneficiary issuing the notice of
5 default, or causing the notice of default to be issued on the
6 beneficiary's behalf, shall remit \$250 to the department to be
7 deposited, as provided under RCW 61.24.172, into the foreclosure
8 fairness account. The \$250 payment is required per property and not
9 per notice of default. The beneficiary shall remit the total amount
10 required in a lump sum each quarter.

11 (3) Reporting and payments under subsections (1) and (2) of this
12 section are due within 45 days of the end of each quarter.

13 (4) For purposes of this section, "residential real property"
14 includes residential real property with up to four dwelling units,
15 whether or not the property or any part thereof is owner occupied.

16 (5) The department, including its officials and employees, may
17 not be held civilly liable for damages arising from any release of
18 information or the failure to release information related to the
19 reporting required under this section, so long as the release was
20 without gross negligence.

21 (6)(a) Beginning on January 1, 2023, this section does not apply
22 to any beneficiary or loan servicer that is a federally insured
23 depository institution, as defined in 12 U.S.C. Sec. 461(b)(1)(A),
24 and that certifies under penalty of perjury that it has issued, or
25 has directed a trustee or authorized agent to issue, fewer than 250
26 notices of default in the preceding year.

27 (b) During the 2023 calendar year, this section does not apply to
28 any beneficiary or loan servicer that is a federally insured
29 depository institution, as defined in 12 U.S.C. Sec. 461(b)(1)(A),
30 and that certifies under penalty of perjury that fewer than 50
31 notices of trustee's sale were recorded on its behalf in 2019.

32 (c) This subsection (6) applies retroactively to January 1, 2023,
33 and prospectively beginning with May 1, 2023.

34 (7) This section does not apply to association beneficiaries
35 subject to chapter (~~64.32, 64.34, or 64.38~~) 64.90 RCW.

36 **Sec. 415.** RCW 64.06.005 and 2019 c 238 s 214 are each reenacted
37 and amended to read as follows:

38 The definitions in this section apply throughout this chapter
39 unless the context clearly requires otherwise.

1 (1) "Commercial real estate" has the same meaning as in RCW
2 60.42.005.

3 (2) "Improved residential property," "unimproved residential
4 property," and "commercial real estate" do not include a condominium
5 unit created under chapter 64.90 RCW on or after July 1, 2018, if the
6 buyer of the unit entered into a contract to purchase the unit prior
7 to July 1, 2018, and received a public offering statement pursuant to
8 former chapter 64.34 RCW prior to July 1, 2018.

9 (3) "Improved residential real property" means:

10 (a) Real property consisting of, or improved by, one to four
11 residential dwelling units;

12 (b) ~~((A residential condominium as defined in RCW 64.34.020(10),
13 unless the sale is subject to the public offering statement
14 requirement in the Washington condominium act, chapter 64.34 RCW;~~

15 ~~(e))~~ A residential timeshare, as defined in RCW 64.36.010(11),
16 unless subject to written disclosure under the Washington timeshare
17 act, chapter 64.36 RCW;

18 ~~((d))~~ (c) A mobile or manufactured home, as defined in RCW
19 43.22.335 or 46.04.302, that is personal property; or

20 ~~((e))~~ (d) A residential common interest community as defined in
21 RCW 64.90.010~~((10))~~ unless the sale is subject to the public
22 offering statement requirement in the Washington uniform common
23 interest ownership act, chapter 64.90 RCW.

24 (4) "Residential real property" means both improved and
25 unimproved residential real property.

26 (5) "Seller disclosure statement" means the form to be completed
27 by the seller of residential real property as prescribed by this
28 chapter.

29 (6) "Unimproved residential real property" means property zoned
30 for residential use that is not improved by one or more residential
31 dwelling units, a residential condominium, a residential timeshare,
32 or a mobile or manufactured home. It does not include commercial real
33 estate or property defined as "timberland" under RCW 84.34.020.

34 **Sec. 416.** RCW 64.35.105 and 2023 c 337 s 1 are each amended to
35 read as follows:

36 The definitions in this section apply throughout this chapter
37 unless the context clearly requires otherwise.

38 (1) "Affiliate" has the meaning in RCW 64.90.010.

39 (2) "Association" has the meaning in RCW 64.90.010.

- 1 (3) "Building envelope" means the assemblies, components, and
2 materials of a building that are intended to separate and protect the
3 interior space of the building from the adverse effects of exterior
4 climatic conditions.
- 5 (4) "Common element" has the meaning in RCW 64.90.010.
- 6 (5) "Condominium" has the meaning in RCW 64.90.010.
- 7 (6) "Construction professional" has the meaning in RCW 64.50.010.
- 8 (7) "Conversion condominium" has the meaning in RCW 64.90.010.
- 9 (8) "Declarant" has the meaning in RCW 64.90.010.
- 10 (9) "Declarant control" has the meaning in RCW 64.90.010.
- 11 (10) "Defect" means any aspect of a condominium unit or common
12 element which constitutes a breach of the implied warranties set
13 forth in RCW ((64.34.445 or)) 64.90.670.
- 14 (11) "Limited common element" has the meaning in RCW 64.90.010.
- 15 (12) "Material" means substantive, not simply formal; significant
16 to a reasonable person; not trivial or insignificant. When used with
17 respect to a particular construction defect, "material" does not
18 require that the construction defect render the unit or common
19 element unfit for its intended purpose or uninhabitable.
- 20 (13) "Mediation" means a collaborative process in which two or
21 more parties meet and attempt, with the assistance of a mediator, to
22 resolve issues in dispute between them.
- 23 (14) "Mediation session" means a meeting between two or more
24 parties to a dispute during which they are engaged in mediation.
- 25 (15) "Mediator" means a neutral and impartial facilitator with no
26 decision-making power who assists parties in negotiating a mutually
27 acceptable settlement of issues in dispute between them.
- 28 (16) "Person" has the meaning in RCW 64.90.010.
- 29 (17) "Public offering statement" has the meaning in chapter 64.90
30 RCW.
- 31 (18) "Qualified insurer" means an entity that holds a certificate
32 of authority under RCW 48.05.030, or an eligible insurer under
33 chapter 48.15 RCW.
- 34 (19) "Qualified warranty" means an insurance policy issued by a
35 qualified insurer that complies with the requirements of this
36 chapter. A qualified warranty includes coverage for repair of
37 physical damage caused by the defects covered by the qualified
38 warranty, except to the extent of any exclusions and limitations
39 under this chapter.

1 (20) "Resale certificate" means the statement to be delivered by
2 the association under chapter 64.90 RCW.

3 (21) "Transition date" means the date on which the declarant is
4 required to deliver to the association the property of the
5 association under RCW 64.90.420.

6 (22) "Unit" has the meaning in RCW 64.90.010.

7 (23) "Unit owner" has the meaning in RCW 64.90.010.

8 **Sec. 417.** RCW 64.35.405 and 2004 c 201 s 501 are each amended to
9 read as follows:

10 A qualified insurer may include any of the following provisions
11 in a qualified warranty:

12 (1) If the qualified insurer makes a payment or assumes liability
13 for any payment or repair under a qualified warranty, the owner and
14 association must fully support and assist the qualified insurer in
15 pursuing any rights that the qualified insurer may have against the
16 declarant, and any construction professional that has contractual or
17 common law obligations to the declarant, whether such rights arose by
18 contract, subrogation, or otherwise.

19 (2) Warranties or representations made by a declarant which are
20 in addition to the warranties set forth in this chapter are not
21 binding on the qualified insurer unless and to the extent
22 specifically provided in the text of the warranty; and disclaimers of
23 specific defects made by agreement between the declarant and the unit
24 purchaser under RCW (~~64.34.450~~) 64.90.675 act as an exclusion of
25 the specified defect from the warranty coverage.

26 (3) An owner and the association must permit the qualified
27 insurer or declarant, or both, to enter the unit at reasonable times,
28 after reasonable notice to the owner and the association:

29 (a) To monitor the unit or its components;

30 (b) To inspect for required maintenance;

31 (c) To investigate complaints or claims; or

32 (d) To undertake repairs under the qualified warranty.

33 If any reports are produced as a result of any of the activities
34 referred to in (a) through (d) of this subsection, the reports must
35 be provided to the owner and the association.

36 (4) An owner and the association must provide to the qualified
37 insurer all information and documentation that the owner and the
38 association have available, as reasonably required by the qualified

1 insurer to investigate a claim or maintenance requirement, or to
2 undertake repairs under the qualified warranty.

3 (5) To the extent any damage to a unit is caused or made worse by
4 the unreasonable refusal of the association, or an owner or occupant
5 to permit the qualified insurer or declarant access to the unit for
6 the reasons in subsection (3) of this section, or to provide the
7 information required by subsection (4) of this section, that damage
8 is excluded from the qualified warranty.

9 (6) In any claim under a qualified warranty issued to the
10 association, the association shall have the sole right to prosecute
11 and settle any claim with respect to the common elements.

12 **Sec. 418.** RCW 64.35.505 and 2004 c 201 s 1001 are each amended
13 to read as follows:

14 (1) If coverage under a qualified warranty is conditional on an
15 owner undertaking proper maintenance, or if coverage is excluded for
16 damage caused by negligence by the owner or association with respect
17 to maintenance or repair by the owner or association, the conditions
18 or exclusions apply only to maintenance requirements or procedures:
19 (a) Provided to the original owner in the case of the unit warranty,
20 and to the association for the common element warranty with an
21 estimation of the required cost thereof for the common element
22 warranty provided in the budget prepared by the declarant; or (b)
23 that would be obvious to a reasonable and prudent layperson.
24 Recommended maintenance requirements and procedures are sufficient
25 for purposes of this subsection if consistent with knowledge
26 generally available in the construction industry at the time the
27 qualified warranty is issued.

28 (2) If an original owner or the association has not been provided
29 with the manufacturer's documentation or warranty information, or
30 both, or with recommended maintenance and repair procedures for any
31 component of a unit, the relevant exclusion does not apply. The
32 common element warranty is included in the written warranty to be
33 provided to the association under RCW (~~64.34.312~~) 64.90.420.

34 **Sec. 419.** RCW 64.35.610 and 2004 c 201 s 1601 are each amended
35 to read as follows:

36 A qualified warranty may include mandatory binding arbitration of
37 all disputes arising out of or in connection with a qualified
38 warranty. The provision may provide that all claims for a single

1 condominium be heard by the same arbitrator, but shall not permit the
2 joinder or consolidation of any other person or entity. The
3 arbitration shall comply with the following minimum procedural
4 standards:

5 (1) Any demand for arbitration shall be delivered by certified
6 mail return receipt requested, and by ordinary first-class mail. The
7 party initiating the arbitration shall address the notice to the
8 address last known to the initiating party in the exercise of
9 reasonable diligence, and also, for any entity which is required to
10 have a registered agent in the state of Washington, to the address of
11 the registered agent. Demand for arbitration is deemed effective
12 three days after the date deposited in the mail((†)).

13 (2) All disputes shall be heard by one qualified arbitrator,
14 unless the parties agree to use three arbitrators. If three
15 arbitrators are used, one shall be appointed by each of the disputing
16 parties and the first two arbitrators shall appoint the third, who
17 will chair the panel. The parties shall select the identity and
18 number of the arbitrator or arbitrators after the demand for
19 arbitration is made. If, within thirty days after the effective date
20 of the demand for arbitration, the parties fail to agree on an
21 arbitrator or the agreed number of arbitrators fail to be appointed,
22 then an arbitrator or arbitrators shall be appointed under RCW
23 7.04.050 by the presiding judge of the superior court of the county
24 in which the condominium is located((†)).

25 (3) In any arbitration, at least one arbitrator must be a lawyer
26 or retired judge. Any additional arbitrator must be either a lawyer
27 or retired judge or a person who has experience with construction and
28 engineering standards and practices, written construction warranties,
29 or construction dispute resolution. No person may serve as an
30 arbitrator in any arbitration in which that person has any past or
31 present financial or personal interest((†)).

32 (4) The arbitration hearing must be conducted in a manner that
33 permits full, fair, and expeditious presentation of the case by both
34 parties. The arbitrator is bound by the law of Washington state.
35 Parties may be, but are not required to be, represented by attorneys.
36 The arbitrator may permit discovery to ensure a fair hearing, but may
37 limit the scope or manner of discovery for good cause to avoid
38 excessive delay and costs to the parties. The parties and the
39 arbitrator shall use all reasonable efforts to complete the
40 arbitration within six months of the effective date of the demand for

1 arbitration or, when applicable, the service of the list of defects
2 in accordance with RCW 64.50.030(~~(+)~~).

3 (5) Except as otherwise set forth in this section, arbitration
4 shall be conducted under chapter 7.04 RCW, unless the parties elect
5 to use the construction industry arbitration rules of the American
6 arbitration association, which are permitted to the extent not
7 inconsistent with this section. The expenses of witnesses including
8 expert witnesses shall be paid by the party producing the witnesses.
9 All other expenses of arbitration shall be borne equally by the
10 parties, unless all parties agree otherwise or unless the arbitrator
11 awards expenses or any part thereof to any specified party or
12 parties. The parties shall pay the fees of the arbitrator as and when
13 specified by the arbitrator(~~(+)~~).

14 (6) Demand for arbitration given pursuant to subsection (1) of
15 this section commences a (~~judicial~~) proceeding for purposes of RCW
16 (~~(64.34.452+)~~) 64.90.680.

17 (7) The arbitration decision shall be in writing and must set
18 forth findings of fact and conclusions of law that support the
19 decision.

20 **Sec. 420.** RCW 64.50.010 and 2023 c 337 s 3 are each amended to
21 read as follows:

22 Unless the context clearly requires otherwise, the definitions in
23 this section apply throughout this chapter.

24 (1) "Action" means any civil lawsuit or action in contract or
25 tort for damages or indemnity brought against a construction
26 professional to assert a claim, whether by complaint, counterclaim,
27 or cross-claim, for damage or the loss of use of real or personal
28 property caused by a defect in the construction of a residence or in
29 the substantial remodel of a residence. "Action" does not include any
30 civil action in tort alleging personal injury or wrongful death to a
31 person or persons resulting from a construction defect.

32 (2) "Association" means an association, master association, or
33 subassociation as defined and provided for in (~~(RCW 64.34.020(4),~~
34 ~~64.34.276, 64.34.278, 64.38.010(12), and 64.90.010(4))~~) chapter 64.90
35 RCW.

36 (3) "Claimant" means a homeowner or association who asserts a
37 claim against a construction professional concerning a defect in the
38 construction of a residence or in the substantial remodel of a
39 residence.

1 (4) "Construction defect professional" means an architect,
2 builder, builder vendor, contractor, subcontractor, engineer,
3 inspector, or such other person with verifiable training and
4 experience related to the defects or conditions identified in any
5 report included with a notice of claim as set forth in RCW
6 64.50.020(1)(a).

7 (5) "Construction professional" means an architect, builder,
8 builder vendor, contractor, subcontractor, engineer, or inspector,
9 including, but not limited to, a dealer as defined in RCW
10 (~~64.34.020~~) 64.90.010 and a declarant as defined in RCW
11 (~~64.34.020~~) 64.90.010, performing or furnishing the design,
12 supervision, inspection, construction, or observation of the
13 construction of any improvement to real property, whether operating
14 as a sole proprietor, partnership, corporation, or other business
15 entity.

16 (6) "Homeowner" means: (a) Any person, company, firm,
17 partnership, corporation, or association who contracts with a
18 construction professional for the construction, sale, or construction
19 and sale of a residence; and (b) an "association" as defined in this
20 section. "Homeowner" includes, but is not limited to, a subsequent
21 purchaser of a residence from any homeowner.

22 (7) "Residence" means a single-family house, duplex, triplex,
23 quadraplex, or a unit in a multiunit residential structure in which
24 title to each individual unit is transferred to the owner under a
25 condominium or cooperative system, and shall include common elements
26 as defined in RCW (~~64.34.020 and common areas as defined in RCW~~
27 ~~64.38.010(4)~~) 64.90.010.

28 (8) "Serve" or "service" means personal service or delivery by
29 certified mail to the last known address of the addressee.

30 (9) "Substantial remodel" means a remodel of a residence, for
31 which the total cost exceeds one-half of the assessed value of the
32 residence for property tax purposes at the time the contract for the
33 remodel work was made.

34 **Sec. 421.** RCW 64.50.040 and 2023 c 337 s 5 are each amended to
35 read as follows:

36 (1)(a) In the event the board (~~(of directors)~~), pursuant to RCW
37 (~~64.34.304(1)(d) or 64.38.020(4)~~) 64.90.405(2)(d), institutes an
38 action asserting defects in the construction of two or more
39 (~~residences,~~) units or common elements(~~(, or common areas)~~), this

1 section shall apply. For purposes of this section, "action" has the
2 same meaning as set forth in RCW 64.50.010.

3 (b) The board (~~(of directors)~~) shall substantially comply with
4 the provisions of this section.

5 (2)(a) Prior to the service of the summons and complaint on any
6 defendant with respect to an action governed by this section, the
7 board (~~(of directors)~~) shall mail or deliver written notice of the
8 commencement or anticipated commencement of such action to each
9 homeowner at the last known address described in the association's
10 records.

11 (b) The notice required by (a) of this subsection shall state a
12 general description of the following:

13 (i) The nature of the action and the relief sought;

14 (ii) To the extent applicable, the existence of the report
15 required in RCW 64.50.020(1)(a), which shall be made available to
16 each homeowner upon request;

17 (iii) A summary of the construction professional's response
18 pursuant to RCW 64.50.020(3), if any; and

19 (iv) The expenses and fees that the board (~~(of directors)~~)
20 anticipates will be incurred in prosecuting the action.

21 (3) Nothing in this section may be construed to:

22 (a) Require the disclosure in the notice or the disclosure to a
23 (~~(unit owner)~~) homeowner of attorney-client communications or other
24 privileged communications;

25 (b) Permit the notice to serve as a basis for any person to
26 assert the waiver of any applicable privilege or right of
27 confidentiality resulting from, or to claim immunity in connection
28 with, the disclosure of information in the notice; or

29 (c) Limit or impair the authority of the board (~~(of directors)~~)
30 to contract for legal services, or limit or impair the ability to
31 enforce such a contract for legal services.

32 **Sec. 422.** RCW 64.50.050 and 2002 c 323 s 6 are each amended to
33 read as follows:

34 (1) The construction professional shall provide notice to each
35 homeowner upon entering into a contract for sale, construction, or
36 substantial remodel of a residence, of the construction
37 professional's right to offer to cure construction defects before a
38 homeowner may commence litigation against the construction
39 professional. Such notice shall be conspicuous and may be included as

1 part of the underlying contract signed by the homeowner. In the sale
2 of a condominium unit, the requirement for delivery of such notice
3 shall be deemed satisfied if contained in a public offering statement
4 delivered in accordance with chapter (~~64.34~~) 64.90 RCW.

5 (2) The notice required by this subsection shall be in
6 substantially the following form:

7 CHAPTER 64.50 RCW CONTAINS IMPORTANT REQUIREMENTS YOU MUST
8 FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE
9 CONSTRUCTION AGAINST THE SELLER OR BUILDER OF YOUR HOME.
10 FORTY-FIVE DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST
11 DELIVER TO THE SELLER OR BUILDER A WRITTEN NOTICE OF ANY
12 CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE
13 YOUR SELLER OR BUILDER THE OPPORTUNITY TO MAKE AN OFFER TO
14 REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO
15 ACCEPT ANY OFFER MADE BY THE BUILDER OR SELLER. THERE ARE
16 STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND FAILURE
17 TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT.

18 (3) This chapter shall not preclude or bar any action if notice
19 is not given to the homeowner as required by this section.

20 **Sec. 423.** RCW 64.55.005 and 2019 c 238 s 216 are each amended to
21 read as follows:

22 (1)(a) RCW 64.55.010 through 64.55.090 apply to any multiunit
23 residential building for which the permit for construction or
24 rehabilitative construction of such building was issued on or after
25 August 1, 2005.

26 (b) RCW 64.55.010 and 64.55.090 apply to (~~conversion~~
27 ~~condominiums as defined in RCW 64.34.020 or~~) conversion buildings as
28 defined in RCW 64.90.010 (~~(, provided that RCW 64.55.090 shall not~~
29 ~~apply to a condominium conversion for which a public offering~~
30 ~~statement had been delivered pursuant to chapter 64.34 RCW prior to~~
31 ~~August 1, 2005)~~).

32 (2) RCW 64.55.010 and 64.55.100 through 64.55.160 and
33 (~~64.34.415~~) 64.90.620 apply to any action that alleges breach of an
34 implied or express warranty under chapter (~~64.34~~) 64.90 RCW or that
35 seeks relief that could be awarded for such breach, regardless of the
36 legal theory pleaded, except that RCW 64.55.100 through 64.55.160 and
37 (~~64.34.415~~) 64.90.620 shall not apply to:

38 (a) Actions filed or served prior to August 1, 2005;

1 (b) Actions for which a notice of claim was served pursuant to
2 chapter 64.50 RCW prior to August 1, 2005;

3 (c) Actions asserting any claim regarding a building that is not
4 a multiunit residential building;

5 (d) Actions asserting any claim regarding a multiunit residential
6 building that was permitted on or after August 1, 2005, unless the
7 letter required by RCW 64.55.060 has been submitted to the
8 appropriate building department or the requirements of RCW 64.55.090
9 have been satisfied.

10 (3) Other than the requirements imposed by RCW 64.55.010 through
11 64.55.090, nothing in this chapter amends or modifies the provisions
12 of RCW (~~64.34.050~~) 64.90.025.

13 **Sec. 424.** RCW 64.55.010 and 2023 c 263 s 1 are each amended to
14 read as follows:

15 Unless the context clearly requires otherwise, the definitions in
16 RCW (~~64.34.020~~) 64.90.010 and in this section apply throughout this
17 chapter.

18 (1) "Attached dwelling unit" means any dwelling unit that is
19 attached to another dwelling unit by a wall, floor, or ceiling that
20 separates heated living spaces. A garage is not a heated living
21 space.

22 (2) "Building enclosure" means that part of any building, above
23 or below grade, that physically separates the outside or exterior
24 environment from interior environments and which weatherproofs,
25 waterproofs, or otherwise protects the building or its components
26 from water or moisture intrusion. Interior environments consist of
27 both heated and unheated enclosed spaces. The building enclosure
28 includes, but is not limited to, that portion of roofs, walls,
29 balcony support columns, decks, windows, doors, vents, and other
30 penetrations through exterior walls, which waterproof, weatherproof,
31 or otherwise protect the building or its components from water or
32 moisture intrusion.

33 (3) "Building enclosure design documents" means plans, details,
34 and specifications for the building enclosure that have been stamped
35 by a licensed engineer or architect. The building enclosure design
36 documents shall include details and specifications that are
37 appropriate for the building in the professional judgment of the
38 architect or engineer who prepared the same to waterproof,
39 weatherproof, and otherwise protect the building or its components

1 from water or moisture intrusion, including details of flashing,
2 intersections at roof, eaves or parapets, means of drainage, water-
3 resistive membrane, and details around openings.

4 (4) "Developer" means:

5 (a) With respect to a condominium or a conversion condominium,
6 the declarant; and

7 (b) With respect to all other buildings, an individual, group of
8 individuals, partnership, corporation, association, municipal
9 corporation, state agency, or other entity or person that obtains a
10 building permit for the construction or rehabilitative reconstruction
11 of a multiunit residential building. If a permit is obtained by
12 service providers such as architects, contractors, and consultants
13 who obtain permits for others as part of services rendered for a fee,
14 the person for whom the permit is obtained shall be the developer,
15 not the service provider.

16 (5) " Dwelling unit " has the meaning given to that phrase or
17 similar phrases in the ordinances of the jurisdiction issuing the
18 permit for construction of the building enclosure but if such
19 ordinances do not provide a definition, then "dwelling unit" means a
20 residence containing living, cooking, sleeping, and sanitary
21 facilities.

22 (6) "Multiunit residential building" means:

23 (a) A building containing more than two attached dwelling units,
24 including a building containing nonresidential units if the building
25 also contains more than two attached dwelling units, but excluding
26 the following classes of buildings:

27 (i) Hotels and motels;

28 (ii) Dormitories;

29 (iii) Care facilities;

30 (iv) Floating homes;

31 (v) A building that contains attached dwelling units that are
32 each located on a single platted lot, except as provided in (b) of
33 this subsection;

34 (vi) A building in which all of the dwelling units are held under
35 one ownership and is subject to a recorded irrevocable sale
36 prohibition covenant; and

37 (vii) A building with 12 or fewer units that is no more than two
38 stories.

39 (b) If the developer submits to the appropriate building
40 department when applying for the building permit described in RCW

1 64.55.020 a statement that the developer elects to treat the
2 improvement for which a permit is sought as a multiunit residential
3 building for all purposes under this chapter, then "multiunit
4 residential building" also means the following buildings for which
5 such election has been made:

6 (i) A building containing only two attached dwelling units;

7 (ii) A building that does not contain attached dwelling units;

8 and

9 (iii) Any building that contains attached dwelling units each of
10 which is located on a single platted lot.

11 (7) "Party unit owner" means a unit owner who is a named party to
12 an action subject to this chapter and does not include any unit
13 owners whose involvement with the action stems solely from their
14 membership in the association.

15 (8) "Qualified building inspector" means a person satisfying the
16 requirements of RCW 64.55.040.

17 (9) "Rehabilitative construction" means construction work on the
18 building enclosure of a multiunit residential building if the cost of
19 such construction work is more than five percent of the assessed
20 value of the building.

21 (10) "Sale prohibition covenant" means a recorded covenant that
22 prohibits the sale or other disposition of individual dwelling units
23 as or as part of a condominium for five years or more from the date
24 of first occupancy except as otherwise provided in RCW 64.55.090, a
25 certified copy of which the developer shall submit to the appropriate
26 building department; provided such covenant shall not apply to sales
27 or dispositions listed in RCW (~~64.34.400~~) 64.90.600(2). The
28 covenant must be recorded in the county in which the building is
29 located and must be in substantially the following form:

30 This covenant has been recorded in the real property records
31 of County, Washington, in satisfaction of the
32 requirements of RCW 64.55.010 through 64.55.090. The
33 undersigned is the owner of the property described on Exhibit
34 A (the "Property"). Until termination of this covenant, no
35 dwelling unit in or on the Property may be sold as a
36 condominium unit except for sales or dispositions listed in
37 RCW (~~64.34.400~~) 64.90.600(2).

38 This covenant terminates on the earlier of either: (a)
39 Compliance with the requirements of RCW 64.55.090, as

1 certified by the owner of the Property in a recorded
2 supplement hereto; or (b) the fifth anniversary of the date
3 of first occupancy of a dwelling unit as certified by the
4 Owner in a recorded supplement hereto.

5 All title insurance companies and persons acquiring an interest in
6 the Property may rely on the forgoing certifications without further
7 inquiry in issuing any policy of title insurance or in acquiring an
8 interest in the Property.

9 (11) "Stamped" means bearing the stamp and signature of the
10 responsible licensed architect or engineer on the title page, and on
11 every sheet of the documents, drawings, or specifications, including
12 modifications to the documents, drawings, and specifications that
13 become part of change orders or addenda to alter those documents,
14 drawings, or specifications.

15 **Sec. 425.** RCW 64.55.070 and 2005 c 456 s 8 are each amended to
16 read as follows:

17 (1) Nothing in this chapter and RCW (~~64.34.073, 64.34.100(2),~~
18 ~~64.34.410 (1)(nn) and (2), and 64.34.415(1)(b))~~) 64.90.610 (1)(t),
19 (1)(oo), and (3) and 64.90.620(1)(c) is intended to, or does:

20 (a) Create a private right of action against any inspector,
21 architect, or engineer based upon compliance or noncompliance with
22 its provisions; or

23 (b) Create any independent basis for liability against an
24 inspector, architect, or engineer.

25 (2) The qualified inspector, architect, or engineer and the
26 developer that retained the inspector, architect, or engineer may
27 contractually agree to the amount of their liability to the
28 developer.

29 **Sec. 426.** RCW 64.55.090 and 2005 c 456 s 10 are each amended to
30 read as follows:

31 (1) Except for sales or other dispositions listed in RCW
32 (~~64.34.400~~) 64.90.600(2), no declarant may convey a condominium
33 unit that may be occupied for residential use in a multiunit
34 residential building without first complying with the requirements of
35 RCW 64.55.005 through 64.55.080 unless the building enclosure of the
36 building in which such unit is included is inspected by a qualified
37 building enclosure inspector, and:

1 (a) The inspection includes such intrusive or other testing, such
2 as the removal of siding or other building enclosure materials, that
3 the inspector believes, in his or her professional judgment, is
4 necessary to ascertain the manner in which the building enclosure was
5 constructed;

6 (b) The inspection evaluates, to the extent reasonably
7 ascertainable and in the professional judgment of the inspector, the
8 present condition of the building enclosure including whether such
9 condition has adversely affected or will adversely affect the
10 performance of the building enclosure to waterproof, weatherproof, or
11 otherwise protect the building or its components from water or
12 moisture intrusion. "Adversely affect" has the same meaning as
13 provided in RCW (~~(64.34.445)~~) 64.90.670(7);

14 (c) The inspection report includes recommendations for repairs to
15 the building enclosure that, in the professional judgment of the
16 qualified building inspector, are necessary to: (i) Repair a design
17 or construction defect in the building enclosure that results in the
18 failure of the building enclosure to perform its intended function
19 and allows unintended water penetration not caused by flooding; and
20 (ii) repair damage caused by such a defect that has an adverse effect
21 as provided in RCW (~~(64.34.445)~~) 64.90.670(7);

22 (d) With respect to a building that would be a multiunit
23 residential building but for the recording of a sale prohibition
24 covenant and unless more than five years have elapsed since the date
25 such covenant was recorded, all repairs to the building enclosure
26 recommended pursuant to (c) of this subsection have been made; and

27 (e) The declarant provides as part of the public offering
28 statement, consistent with RCW (~~(64.34.410 (1)(nn) and (2) and~~
29 ~~64.34.415(1)(b))~~) 64.90.610 (1)(t), (1)(oo), and (3) and
30 64.90.620(1)(c), an inspection and repair report signed by the
31 qualified building enclosure inspector that identifies:

32 (i) The extent of the inspection performed pursuant to this
33 section;

34 (ii) The information obtained as a result of that inspection; and

35 (iii) The manner in which any repairs required by this section
36 were performed, the scope of those repairs, and the names of the
37 persons performing those repairs.

38 (2) Failure to deliver the inspection and repair report in
39 violation of this section constitutes a failure to deliver a public
40 offering statement for purposes of chapter (~~(64.34)~~) 64.90 RCW.

1 **Sec. 427.** RCW 64.55.120 and 2005 c 456 s 13 are each amended to
2 read as follows:

3 (1) The parties to an action subject to this chapter and RCW
4 (~~64.34.073, 64.34.100(2), 64.34.410 (1)(nn) and (2), and~~
5 ~~64.34.415(1)(b))~~ 64.90.610 (1)(t), (1)(oo), and (3) and
6 64.90.620(1)(c) shall engage in mediation. Unless the parties agree
7 otherwise, the mediation required by this section shall commence
8 within seven months of the later of the filing or service of the
9 complaint. If the parties cannot agree upon a mediator, the court
10 shall appoint a mediator.

11 (2) Prior to the mediation required by this section, the parties
12 and their experts shall meet and confer in good faith to attempt to
13 resolve or narrow the scope of the disputed issues, including issues
14 related to the parties' repair plans.

15 (3) Prior to the mandatory mediation, the parties or their
16 attorneys shall file and serve a declaration that:

17 (a) A decision maker with authority to settle will be available
18 for the duration of the mandatory mediation; and

19 (b) The decision maker has been provided with and has reviewed
20 the mediation materials provided by the party to which the decision
21 maker is affiliated as well as the materials submitted by the
22 opposing parties.

23 (4) Completion of the mediation required by this section occurs
24 upon written notice of termination by any party. The provisions of
25 RCW 64.55.160 shall not apply to any later mediation conducted
26 following such notice.

27 **Sec. 428.** RCW 64.55.130 and 2005 c 456 s 14 are each amended to
28 read as follows:

29 (1) If, after meeting and conferring as required by RCW
30 64.55.120(2), disputed issues remain, a party may file a motion with
31 the court, or arbitrator if an arbitrator has been appointed,
32 requesting the appointment of a neutral expert to address any or all
33 of the disputed issues. Unless otherwise agreed to by the parties or
34 upon a showing of exceptional circumstances, including a material
35 adverse change in a party's litigation risks due to a change in
36 allegations, claims, or defenses by an adverse party following the
37 appointment of the neutral expert, any such motion shall be filed no
38 later than sixty days after the first day of the meeting required by
39 RCW 64.55.120(2). Upon such a request, the court or arbitrator shall

1 decide whether or not to appoint a neutral expert or experts. A party
2 may only request more than one neutral expert if the particular
3 expertise of the additional neutral expert or experts is necessary to
4 address disputed issues.

5 (2) The neutral expert shall be a licensed architect or engineer,
6 or any other person, with substantial experience relevant to the
7 issue or issues in dispute. The neutral expert shall not have been
8 employed as an expert by a party to the present action within three
9 years before the commencement of the present action, unless the
10 parties agree otherwise.

11 (3) All parties shall be given an opportunity to recommend
12 neutral experts to the court or arbitrator and shall have input
13 regarding the appointment of a neutral expert.

14 (4) Unless the parties agree otherwise on the following matters,
15 the court, or arbitrator if then appointed, shall determine:

16 (a) Who shall serve as the neutral expert;

17 (b) Subject to the requirements of this section, the scope of the
18 neutral expert's duties;

19 (c) The number and timing of inspections of the property;

20 (d) Coordination of inspection activities with the parties'
21 experts;

22 (e) The neutral expert's access to the work product of the
23 parties' experts;

24 (f) The product to be prepared by the neutral expert;

25 (g) Whether the neutral expert may participate personally in the
26 mediation required by RCW 64.55.120; and

27 (h) Other matters relevant to the neutral expert's assignment.

28 (5) Unless the parties agree otherwise, the neutral expert shall
29 not make findings or render opinions regarding the amount of damages
30 to be awarded, or the cost of repairs, or absent exceptional
31 circumstances any matters that are not in dispute as determined in
32 the meeting described in RCW 64.55.120(2) or otherwise.

33 (6) A party may, by motion to the court, or to the arbitrator if
34 then appointed, object to the individual appointed to serve as the
35 neutral expert and to determinations regarding the neutral expert's
36 assignment.

37 (7) The neutral expert shall have no liability to the parties for
38 the performance of his or her duties as the neutral expert.

1 (8) Except as otherwise agreed by the parties, the parties have a
2 right to review and comment on the neutral expert's report before it
3 is made final.

4 (9) A neutral expert's report or testimony is not entitled to any
5 evidentiary presumption in any arbitration or court proceeding.
6 Nothing in this chapter and RCW (~~64.34.073, 64.34.100(2), 64.34.410~~
7 ~~(1)(nn) and (2), and 64.34.415(1)(b))~~ 64.90.610 (1)(t), (1)(oo), and
8 (3) and 64.90.620(1)(c) restricts the admissibility of such a report
9 or testimony, provided it is within the scope of the neutral expert's
10 assigned duties, and questions of the admissibility of such a report
11 or testimony shall be determined under the rules of evidence.

12 (10) The court, or arbitrator if then appointed, shall determine
13 the significance of the neutral expert's report and testimony with
14 respect to parties joined after the neutral expert's appointment and
15 shall determine whether additional neutral experts should be
16 appointed or other measures should be taken to protect such joined
17 parties from undue prejudice.

18 **Sec. 429.** RCW 64.60.010 and 2011 c 36 s 3 are each amended to
19 read as follows:

20 The definitions in this section apply throughout this chapter
21 unless the context clearly requires otherwise.

22 (1) "Association" means: (~~An association of apartment owners as~~
23 ~~defined in RCW 64.32.010; a)~~ A unit owners(~~(-)~~) association as
24 defined in RCW (~~(64.34.020)~~) 64.90.010; (~~a homeowners' association~~
25 ~~as defined in RCW 64.38.010;~~) a corporation organized pursuant to
26 chapter 24.03A or 24.06 RCW for the purpose of owning real estate
27 under a cooperative ownership plan; or a nonprofit or cooperative
28 membership organization composed exclusively of owners of mobile
29 homes, manufactured housing, timeshares, camping resort interests, or
30 other interests in real property that is responsible for the
31 maintenance, improvements, services, or expenses related to real
32 property that is owned, used, or enjoyed in common by the members.

33 (2) "Payee" means the person or entity who claims the right to
34 receive or collect a private transfer fee payable under a private
35 transfer fee obligation. A payee may or may not have a pecuniary
36 interest in the private transfer fee obligation.

37 (3) "Private transfer fee" means a fee or charge payable upon the
38 transfer of an interest in real property, or payable for the right to
39 make or accept such transfer, regardless of whether the fee or charge

1 is a fixed amount or is determined as a percentage of the value of
2 the real property, the purchase price, or other consideration given
3 for the transfer. The following are not private transfer fees for the
4 purposes of this section:

5 (a) Any consideration payable by the grantee to the grantor for
6 the interest in real property being transferred, including any
7 subsequent additional consideration for the real property payable by
8 the grantee based upon any subsequent appreciation, development, or
9 sale of the real property, if such additional consideration is
10 payable on a one-time basis only and the obligation to make such
11 payment does not bind successors in title to the real property;

12 (b) Any commission payable to a licensed real estate broker for
13 services rendered in connection with the transfer of real property
14 pursuant to an agreement between the broker and the grantor or the
15 grantee including, but not limited to, any subsequent additional
16 commission for that transfer payable by the grantor or the grantee
17 based upon any subsequent appreciation, development, or sale of the
18 property;

19 (c) Any interest, charges, fees, or other amounts payable by a
20 borrower to a lender pursuant to a loan secured by a mortgage against
21 real property including, but not limited to, any fee payable to the
22 lender for consenting to an assumption of the loan or a transfer of
23 the real property subject to the mortgage, any fees or charges
24 payable to the lender for estoppel letters or certificates, and any
25 shared appreciation interest, profit participation, or other
26 consideration, and payable to the lender in connection with the loan;

27 (d) Any rent, reimbursement, charge, fee, or other amount payable
28 by a lessee or licensee to a lessor or licensor under a lease or
29 license including, but not limited to, any fee payable to the lessor
30 or licensor for consenting to an assignment, subletting, encumbrance,
31 or transfer of the lease or license;

32 (e) Any consideration payable to the holder of an option to
33 purchase an interest in real property or the holder of a right of
34 first refusal or first offer to purchase an interest in real property
35 for waiving, releasing, or not exercising the option or right upon
36 the transfer of the real property to another person;

37 (f) Any tax, fee, charge, assessment, fine, or other amount
38 payable to or imposed by a governmental authority;

39 (g) Any assessment, fee, charge, fine, dues, or other amount
40 payable to an association pursuant to chapter (~~64.32, 64.34, or~~

1 ~~64.38~~) 64.90 RCW, payable by a purchaser of a camping resort
2 contract, as defined in RCW 19.105.300, or a timeshare, as defined in
3 RCW 64.36.010, or payable pursuant to a recorded servitude
4 encumbering the real property being transferred, as long as no
5 portion of the fee is required to be passed through or paid to a
6 third party;

7 (h) Any fee payable, upon a transfer, to an organization
8 qualified under section 501(c)(3) or 501(c)(4) of the internal
9 revenue code of 1986, if the sole purpose of such organization is to
10 support cultural, educational, charitable, recreational,
11 conservation, or similar activities benefiting the real property
12 being transferred and the fee is used exclusively to fund such
13 activities;

14 (i) Any fee, charge, assessment, dues, fine, contribution, or
15 other amount pertaining solely to the purchase or transfer of a club
16 membership relating to real property owned by the member including,
17 but not limited to, any amount determined by reference to the value,
18 purchase price, or other consideration given for the transfer of the
19 real property;

20 (j) Any fee charged by an association or an agent of an
21 association to a transferor or transferee for a service rendered
22 contemporaneously with the imposition of the fee, provided that the
23 fee is not to be passed through to a third party other than an agent
24 of the association.

25 (4) "Private transfer fee obligation" means an obligation arising
26 under a declaration or covenant recorded against the title to real
27 property, or under any other contractual agreement or promise,
28 recorded or not, that requires or purports to require the payment of
29 a private transfer fee upon a subsequent transfer of an interest in
30 the real property.

31 (5) "Transfer" means the sale, gift, grant, conveyance, lease,
32 license, assignment, inheritance, or other act resulting in a
33 transfer of ownership interest in real property located in this
34 state.

35 **Sec. 430.** RCW 64.70.020 and 2020 c 20 s 1064 are each amended to
36 read as follows:

37 The definitions in this section apply throughout this chapter
38 unless the context clearly requires otherwise.

1 (1) "Activity or use limitations" means restrictions or
2 obligations created under this chapter with respect to real property.

3 (2) "Agency" means either the department of ecology, the
4 pollution liability insurance agency, or the United States
5 environmental protection agency, whichever determines or approves the
6 environmental response project pursuant to which the environmental
7 covenant is created.

8 (3) ~~((a))~~ "Common interest community" ~~((means a condominium,~~
9 ~~cooperative, or other real property with respect to which a person,~~
10 ~~by virtue of the person's ownership of a parcel of real property, is~~
11 ~~obligated to pay property taxes or insurance premiums, or for~~
12 ~~maintenance, or improvement of other real property described in a~~
13 ~~recorded covenant that creates the common interest community.~~

14 ~~(b) "Common interest community" includes but is not limited to:~~

15 ~~(i) An association of apartment owners as defined in RCW~~
16 ~~64.32.010;~~

17 ~~(ii) A unit owners' association as defined in RCW 64.34.020 and~~
18 ~~organized under RCW 64.34.300;~~

19 ~~(iii) A master association as provided in RCW 64.34.276;~~

20 ~~(iv) A subassociation as provided in RCW 64.34.278; and~~

21 ~~(v) A homeowners' association as defined in RCW 64.38.010))~~ has
22 the same meaning as in RCW 64.90.010.

23 (4) "Environmental covenant" means a servitude arising under an
24 environmental response project that imposes activity or use
25 limitations.

26 (5) "Environmental response project" means a plan or work
27 performed for environmental remediation of real property and
28 conducted:

29 (a) Under a federal or state program governing environmental
30 remediation of real property, including chapters 43.21C, 64.44,
31 70A.205, 70A.388, 70A.300, 70A.305, 90.48, and 90.52 RCW;

32 (b) Incident to closure of a solid or hazardous waste management
33 unit, if the closure is conducted with approval of an agency; or

34 (c) Under the state voluntary clean-up program authorized under
35 chapter 70A.305 RCW or technical assistance program authorized under
36 chapter 70A.330 RCW.

37 (6) "Holder" means the grantee of an environmental covenant as
38 specified in RCW 64.70.030(1).

39 (7) "Person" means an individual, corporation, business trust,
40 estate, trust, partnership, limited liability company, association,

1 joint venture, public corporation, government, governmental
2 subdivision, agency, or instrumentality, or any other legal or
3 commercial entity.

4 (8) "Record," used as a noun, means information that is inscribed
5 on a tangible medium or that is stored in an electronic or other
6 medium and is retrievable in perceivable form.

7 (9) "State" means a state of the United States, the District of
8 Columbia, Puerto Rico, the United States Virgin Islands, or any
9 territory or insular possession subject to the jurisdiction of the
10 United States.

11 **Sec. 431.** RCW 82.02.020 and 2013 c 243 s 4 are each amended to
12 read as follows:

13 Except only as expressly provided in chapters 67.28, 81.104, and
14 82.14 RCW, the state preempts the field of imposing retail sales and
15 use taxes and taxes upon parimutuel wagering authorized pursuant to
16 RCW 67.16.060, conveyances, and cigarettes, and no county, town, or
17 other municipal subdivision shall have the right to impose taxes of
18 that nature. Except as provided in RCW (~~64.34.440~~) 64.90.655 and
19 82.02.050 through 82.02.090, no county, city, town, or other
20 municipal corporation shall impose any tax, fee, or charge, either
21 direct or indirect, on the construction or reconstruction of
22 residential buildings, commercial buildings, industrial buildings, or
23 on any other building or building space or appurtenance thereto, or
24 on the development, subdivision, classification, or reclassification
25 of land. However, this section does not preclude dedications of land
26 or easements within the proposed development or plat which the
27 county, city, town, or other municipal corporation can demonstrate
28 are reasonably necessary as a direct result of the proposed
29 development or plat to which the dedication of land or easement is to
30 apply.

31 This section does not prohibit voluntary agreements with
32 counties, cities, towns, or other municipal corporations that allow a
33 payment in lieu of a dedication of land or to mitigate a direct
34 impact that has been identified as a consequence of a proposed
35 development, subdivision, or plat. A local government shall not use
36 such voluntary agreements for local off-site transportation
37 improvements within the geographic boundaries of the area or areas
38 covered by an adopted transportation program authorized by chapter

1 39.92 RCW. Any such voluntary agreement is subject to the following
2 provisions:

3 (1) The payment shall be held in a reserve account and may only
4 be expended to fund a capital improvement agreed upon by the parties
5 to mitigate the identified, direct impact;

6 (2) The payment shall be expended in all cases within five years
7 of collection; and

8 (3) Any payment not so expended shall be refunded with interest
9 to be calculated from the original date the deposit was received by
10 the county and at the same rate applied to tax refunds pursuant to
11 RCW 84.69.100; however, if the payment is not expended within five
12 years due to delay attributable to the developer, the payment shall
13 be refunded without interest.

14 No county, city, town, or other municipal corporation shall
15 require any payment as part of such a voluntary agreement which the
16 county, city, town, or other municipal corporation cannot establish
17 is reasonably necessary as a direct result of the proposed
18 development or plat.

19 Nothing in this section prohibits cities, towns, counties, or
20 other municipal corporations from collecting reasonable fees from an
21 applicant for a permit or other governmental approval to cover the
22 cost to the city, town, county, or other municipal corporation of
23 processing applications, inspecting and reviewing plans, or preparing
24 detailed statements required by chapter 43.21C RCW, including
25 reasonable fees that are consistent with RCW 43.21C.420(6),
26 43.21C.428, and beginning July 1, 2014, RCW 35.91.020.

27 This section does not limit the existing authority of any county,
28 city, town, or other municipal corporation to impose special
29 assessments on property specifically benefited thereby in the manner
30 prescribed by law.

31 Nothing in this section prohibits counties, cities, or towns from
32 imposing or permits counties, cities, or towns to impose water,
33 sewer, natural gas, drainage utility, and drainage system charges.
34 However, no such charge shall exceed the proportionate share of such
35 utility or system's capital costs which the county, city, or town can
36 demonstrate are attributable to the property being charged.
37 Furthermore, these provisions may not be interpreted to expand or
38 contract any existing authority of counties, cities, or towns to
39 impose such charges.

1 Nothing in this section prohibits a transportation benefit
2 district from imposing fees or charges authorized in RCW 36.73.120
3 nor prohibits the legislative authority of a county, city, or town
4 from approving the imposition of such fees within a transportation
5 benefit district.

6 Nothing in this section prohibits counties, cities, or towns from
7 imposing transportation impact fees authorized pursuant to chapter
8 39.92 RCW.

9 Nothing in this section prohibits counties, cities, or towns from
10 requiring property owners to provide relocation assistance to tenants
11 under RCW 59.18.440 and 59.18.450.

12 Nothing in this section limits the authority of counties, cities,
13 or towns to implement programs consistent with RCW 36.70A.540, nor to
14 enforce agreements made pursuant to such programs.

15 This section does not apply to special purpose districts formed
16 and acting pursuant to Title 54, 57, or 87 RCW, nor is the authority
17 conferred by these titles affected.

18 **Sec. 432.** RCW 82.04.4298 and 1980 c 37 s 18 are each amended to
19 read as follows:

20 (1) In computing tax there may be deducted from the measure of
21 tax amounts used solely for repair, maintenance, replacement,
22 management, or improvement of the residential structures and
23 ~~((commonly held property))~~ common elements, but excluding property
24 where fees or charges are made for use by the public who are not
25 guests accompanied by a member, which are derived by:

26 (a) A cooperative ~~((housing association))~~, corporation, or
27 partnership from a person who resides in a structure owned by the
28 cooperative ~~((housing association))~~, corporation, or partnership;

29 (b) ~~((An association of owners of property as defined in RCW
30 64.32.010, as now or hereafter amended,))~~ A condominium from a person
31 who is ~~((an apartment))~~ a unit owner ~~((as defined in RCW 64.32.010));~~
32 or

33 ~~((An association of owners of residential property from a
34 person who is a member of the association. "Association of owners of
35 residential property" means any organization of all the owners of
36 residential property in a defined area who all hold the same property
37 in common within the area.))~~ A plat community or miscellaneous
38 community from a unit owner.

1 (2) For the purposes of this section (~~"commonly held property"~~
2 ~~includes areas required for common access such as reception areas,~~
3 ~~halls, stairways, parking, etc., and may include recreation rooms,~~
4 ~~swimming pools and small parks or recreation areas; but is not~~
5 ~~intended to include more grounds than are normally required in a~~
6 ~~residential area, or to include such extensive areas as required for~~
7 ~~golf courses, campgrounds, hiking and riding areas, boating areas,~~
8 ~~etc.-)~~ "common elements," "condominium," "cooperative," "plat
9 community," and "miscellaneous community" have the meaning given in
10 RCW 64.90.010.

11 (3) To qualify for the deductions under this section:

12 (a) The salary or compensation paid to officers, managers, or
13 employees must be only for actual services rendered and at levels
14 comparable to the salary or compensation of like positions within the
15 county wherein the property is located;

16 (b) Dues, fees, or assessments in excess of amounts needed for
17 the purposes for which the deduction is allowed must be rebated to
18 the members of the association;

19 (c) Assets of the association or organization must be
20 distributable to all members and must not inure to the benefit of any
21 single member or group of members.

22 **Sec. 433.** RCW 64.32.260 and 2019 c 238 s 217 are each amended to
23 read as follows:

24 (1) This chapter does not apply to common interest communities as
25 defined in RCW 64.90.010:

26 (a) Created on or after July 1, 2018; or

27 (b) That have amended their governing documents to provide that
28 chapter 64.90 RCW will apply to the common interest community
29 pursuant to RCW 64.90.095 (as recodified by this act).

30 (2) Pursuant to RCW 64.90.080 (as recodified by this act), the
31 following provisions of chapter 64.90 RCW apply, and any inconsistent
32 provisions of this chapter do not apply, to a common interest
33 community created before July 1, 2018:

34 (a) RCW 64.90.095 (as recodified by this act);

35 (b) RCW 64.90.405(1) (b) and (c);

36 (c) RCW 64.90.525; and

37 (d) RCW 64.90.545.

1 (1) RCW 64.32.010 (Definitions) and 2021 c 227 s 1, 2008 c 114 s
2 3, 1987 c 383 s 1, 1981 c 304 s 34, 1965 ex.s. c 11 s 1, & 1963 c 156
3 s 1;

4 (2) RCW 64.32.020 (Application of chapter) and 1963 c 156 s 2;

5 (3) RCW 64.32.030 (Apartments and common areas declared real
6 property) and 1963 c 156 s 3;

7 (4) RCW 64.32.040 (Ownership and possession of apartments and
8 common areas) and 2012 c 117 s 197 & 1963 c 156 s 4;

9 (5) RCW 64.32.050 (Common areas and facilities) and 1965 ex.s. c
10 11 s 2 & 1963 c 156 s 5;

11 (6) RCW 64.32.060 (Compliance with covenants, bylaws, and
12 administrative rules and regulations) and 2012 c 117 s 198 & 1963 c
13 156 s 6;

14 (7) RCW 64.32.070 (Liens or encumbrances—Enforcement—
15 Satisfaction) and 2012 c 117 s 199 & 1963 c 156 s 7;

16 (8) RCW 64.32.080 (Common profits and expenses) and 1963 c 156 s
17 8;

18 (9) RCW 64.32.090 (Contents of declaration) and 1963 c 156 s 9;

19 (10) RCW 64.32.100 (Copy of survey map, building plans to be
20 filed—Contents of plans) and 1987 c 383 s 2, 1965 ex.s. c 11 s 3, &
21 1963 c 156 s 10;

22 (11) RCW 64.32.110 (Ordinances, resolutions, or zoning laws—
23 Construction) and 1963 c 156 s 11;

24 (12) RCW 64.32.120 (Contents of deeds or other conveyances of
25 apartments) and 1999 c 233 s 9, 1965 ex.s. c 11 s 4, & 1963 c 156 s
26 12;

27 (13) RCW 64.32.130 (Mortgages, liens or encumbrances affecting an
28 apartment at time of first conveyance) and 1963 c 156 s 13;

29 (14) RCW 64.32.140 (Recording) and 1963 c 156 s 14;

30 (15) RCW 64.32.150 (Removal of property from provisions of
31 chapter) and 2008 c 114 s 2 & 1963 c 156 s 15;

32 (16) RCW 64.32.160 (Removal of property from provisions of
33 chapter—No bar to subsequent resubmission) and 1963 c 156 s 16;

34 (17) RCW 64.32.170 (Records and books—Requirements for retaining
35 —Availability for examination—Audits) and 2023 c 409 s 1, 1965 ex.s.
36 c 11 s 5, & 1963 c 156 s 17;

37 (18) RCW 64.32.180 (Exemption from liability for contribution for
38 common expenses prohibited) and 2012 c 117 s 200 & 1963 c 156 s 18;

- 1 (19) RCW 64.32.190 (Separate assessments and taxation) and 1963 c
2 156 s 19;
- 3 (20) RCW 64.32.200 (Assessments for common expenses—Enforcement
4 of collection—Liens and foreclosures—Liability of mortgagee or
5 purchaser—Notice of delinquency—Second notice) and 2023 c 214 s 2,
6 2023 c 214 s 1, 2021 c 222 s 4, 2021 c 222 s 3, 2012 c 117 s 201,
7 1988 c 192 s 2, 1965 ex.s. c 11 s 6, & 1963 c 156 s 20;
- 8 (21) RCW 64.32.210 (Conveyance—Liability of grantor and grantee
9 for unpaid common expenses) and 2012 c 117 s 202 & 1963 c 156 s 21;
- 10 (22) RCW 64.32.220 (Insurance) and 2012 c 117 s 203 & 1963 c 156
11 s 22;
- 12 (23) RCW 64.32.230 (Destruction or damage to all or part of
13 property—Disposition) and 1965 ex.s. c 11 s 7 & 1963 c 156 s 23;
- 14 (24) RCW 64.32.240 (Actions) and 2012 c 117 s 204 & 1963 c 156 s
15 24;
- 16 (25) RCW 64.32.250 (Application of chapter, declaration and
17 bylaws) and 1963 c 156 s 25;
- 18 (26) RCW 64.32.260 (Applicability to common interest communities)
19 and 2019 c 238 s 217 & 2018 c 277 s 503;
- 20 (27) RCW 64.32.270 (Notice) and 2021 c 227 s 2;
- 21 (28) RCW 64.32.280 (Voting—In person, absentee ballots, proxies)
22 and 2021 c 227 s 3;
- 23 (29) RCW 64.32.290 (Electric vehicle charging stations) and 2022
24 c 27 s 1;
- 25 (30) RCW 64.32.300 (Tenant screening) and 2023 c 23 s 1;
- 26 (31) RCW 64.32.310 (Licensed family home child care or licensed
27 child day care center—Regulations—Liability) and 2023 c 203 s 1;
- 28 (32) RCW 64.32.320 (New declarations—Accessory dwelling units)
29 and 2023 c 334 s 10;
- 30 (33) RCW 64.32.330 (New declaration minimum density) and 2023 c
31 332 s 11;
- 32 (34) RCW 64.32.900 (Short title) and 1963 c 156 s 26;
- 33 (35) RCW 64.32.910 (Construction of term "this chapter.") and
34 1963 c 156 s 27; and
- 35 (36) RCW 64.32.920 (Severability—1963 c 156) and 1963 c 156 s 28.

36 NEW SECTION. **Sec. 502.** The following acts or parts of acts, as
37 now existing or hereafter amended, are each repealed, effective
38 January 1, 2026:

1 (1) RCW 64.34.005 (Findings—Intent—2004 c 201) and 2004 c 201 s
2 1;
3 (2) RCW 64.34.010 (Applicability) and 2011 c 189 s 6;
4 (3) RCW 64.34.020 (Definitions) and 2021 c 227 s 4;
5 (4) RCW 64.34.030 (Variation by agreement) and 1989 c 43 s 1-104;
6 (5) RCW 64.34.040 (Separate interests—Taxation) and 1992 c 220 s
7 3 & 1989 c 43 s 1-105;
8 (6) RCW 64.34.050 (Local ordinances, regulations, and building
9 codes—Applicability) and 1989 c 43 s 1-106;
10 (7) RCW 64.34.060 (Condemnation) and 1989 c 43 s 1-107;
11 (8) RCW 64.34.070 (Law applicable—General principles) and 1989 c
12 43 s 1-108;
13 (9) RCW 64.34.073 (Application of chapter 64.55 RCW) and 2005 c
14 456 s 21;
15 (10) RCW 64.34.076 (Application to common interest communities)
16 and 2019 c 238 s 218 & 2018 c 277 s 504;
17 (11) RCW 64.34.080 (Contracts—Unconscionability) and 1989 c 43 s
18 1-111;
19 (12) RCW 64.34.090 (Obligation of good faith) and 1989 c 43 s
20 1-112;
21 (13) RCW 64.34.100 (Remedies liberally administered) and 2005 c
22 456 s 20, 2004 c 201 s 2, & 1989 c 43 s 1-113;
23 (14) RCW 64.34.110 (New declaration minimum density) and 2023 c
24 332 s 10;
25 (15) RCW 64.34.120 (New declaration—Accessory dwelling units) and
26 2023 c 334 s 9;
27 (16) RCW 64.34.200 (Creation of condominium) and 1992 c 220 s 4,
28 1990 c 166 s 2, & 1989 c 43 s 2-101;
29 (17) RCW 64.34.202 (Reservation of condominium name) and 1992 c
30 220 s 5;
31 (18) RCW 64.34.204 (Unit boundaries) and 1992 c 220 s 6 & 1989 c
32 43 s 2-102;
33 (19) RCW 64.34.208 (Declaration and bylaws—Construction and
34 validity) and 1989 c 43 s 2-103;
35 (20) RCW 64.34.212 (Description of units) and 1989 c 43 s 2-104;
36 (21) RCW 64.34.216 (Contents of declaration) and 1992 c 220 s 7 &
37 1989 c 43 s 2-105;
38 (22) RCW 64.34.220 (Leasehold condominiums) and 1989 c 43 s
39 2-106;

1 (23) RCW 64.34.224 (Common element interests, votes, and expenses
2 —Allocation) and 1992 c 220 s 8 & 1989 c 43 s 2-107;
3 (24) RCW 64.34.228 (Limited common elements) and 1992 c 220 s 9 &
4 1989 c 43 s 2-108;
5 (25) RCW 64.34.232 (Survey maps and plans) and 1997 c 400 s 2,
6 1992 c 220 s 10, & 1989 c 43 s 2-109;
7 (26) RCW 64.34.236 (Development rights) and 1989 c 43 s 2-110;
8 (27) RCW 64.34.240 (Alterations of units) and 1989 c 43 s 2-111;
9 (28) RCW 64.34.244 (Relocation of boundaries—Adjoining units) and
10 1989 c 43 s 2-112;
11 (29) RCW 64.34.248 (Subdivision of units) and 1989 c 43 s 2-113;
12 (30) RCW 64.34.252 (Monuments as boundaries) and 1989 c 43 s
13 2-114;
14 (31) RCW 64.34.256 (Use by declarant) and 1992 c 220 s 11 & 1989
15 c 43 s 2-115;
16 (32) RCW 64.34.260 (Easement rights—Common elements) and 1989 c
17 43 s 2-116;
18 (33) RCW 64.34.264 (Amendment of declaration) and 1989 c 43 s
19 2-117;
20 (34) RCW 64.34.268 (Termination of condominium) and 1992 c 220 s
21 12 & 1989 c 43 s 2-118;
22 (35) RCW 64.34.272 (Rights of secured lenders) and 1989 c 43 s
23 2-119;
24 (36) RCW 64.34.276 (Master associations) and 1989 c 43 s 2-120;
25 (37) RCW 64.34.278 (Delegation of power to subassociations) and
26 1992 c 220 s 13;
27 (38) RCW 64.34.280 (Merger or consolidation) and 1989 c 43 s
28 2-121;
29 (39) RCW 64.34.300 (Unit owners' association—Organization) and
30 2021 c 176 s 5231, 1992 c 220 s 14, & 1989 c 43 s 3-101;
31 (40) RCW 64.34.304 (Unit owners' association—Powers) and 2008 c
32 115 s 9, 1993 c 429 s 11, 1990 c 166 s 3, & 1989 c 43 s 3-102;
33 (41) RCW 64.34.308 (Board of directors and officers) and 2019 c
34 238 s 219, 2011 c 189 s 2, 1992 c 220 s 15, & 1989 c 43 s 3-103;
35 (42) RCW 64.34.312 (Control of association—Transfer) and 2004 c
36 201 s 10 & 1989 c 43 s 3-104;
37 (43) RCW 64.34.316 (Special declarant rights—Transfer) and 1989 c
38 43 s 3-105;

1 (44) RCW 64.34.320 (Contracts and leases—Declarant—Termination)
2 and 1989 c 43 s 3-106;
3 (45) RCW 64.34.324 (Bylaws) and 2004 c 201 s 3, 1992 c 220 s 16,
4 & 1989 c 43 s 3-107;
5 (46) RCW 64.34.328 (Upkeep of condominium) and 1989 c 43 s 3-108;
6 (47) RCW 64.34.332 (Meetings) and 2021 c 227 s 5 & 1989 c 43 s
7 3-109;
8 (48) RCW 64.34.336 (Quorums) and 1989 c 43 s 3-110;
9 (49) RCW 64.34.340 (Voting—In person, absentee ballots, proxies)
10 and 2021 c 227 s 6, 1992 c 220 s 17, & 1989 c 43 s 3-111;
11 (50) RCW 64.34.344 (Tort and contract liability) and 1989 c 43 s
12 3-112;
13 (51) RCW 64.34.348 (Common elements—Conveyance—Encumbrance) and
14 1989 c 43 s 3-113;
15 (52) RCW 64.34.352 (Insurance) and 2021 c 227 s 7, 1992 c 220 s
16 18, 1990 c 166 s 4, & 1989 c 43 s 3-114;
17 (53) RCW 64.34.354 (Insurance—Conveyance) and 1990 c 166 s 8;
18 (54) RCW 64.34.356 (Surplus funds) and 1989 c 43 s 3-115;
19 (55) RCW 64.34.360 (Common expenses—Assessments) and 1990 c 166 s
20 5 & 1989 c 43 s 3-116;
21 (56) RCW 64.34.364 (Lien for assessments—Notice of delinquency—
22 Second notice) and 2023 c 214 s 4, 2023 c 214 s 3, 2021 c 222 s 6,
23 2021 c 222 s 5, 2013 c 23 s 175, 1990 c 166 s 6, & 1989 c 43 s 3-117;
24 (57) RCW 64.34.368 (Liens—General provisions) and 1989 c 43 s
25 3-118;
26 (58) RCW 64.34.372 (Association records—Funds—Requirements for
27 retaining) and 2023 c 409 s 2, 1992 c 220 s 19, 1990 c 166 s 7, &
28 1989 c 43 s 3-119;
29 (59) RCW 64.34.376 (Association as trustee) and 1989 c 43 s
30 3-120;
31 (60) RCW 64.34.380 (Reserve account—Reserve study—Annual update)
32 and 2019 c 238 s 220, 2011 c 189 s 3, & 2008 c 115 s 1;
33 (61) RCW 64.34.382 (Reserve study—Contents) and 2011 c 189 s 4 &
34 2008 c 115 s 2;
35 (62) RCW 64.34.384 (Reserve account—Withdrawals) and 2011 c 189 s
36 5 & 2008 c 115 s 3;
37 (63) RCW 64.34.386 (Reserve study—Demand by owners—Study not
38 timely prepared) and 2008 c 115 s 4;

1 (64) RCW 64.34.388 (Reserve study—Decision making) and 2008 c 115
2 s 5;

3 (65) RCW 64.34.390 (Reserve study—Reserve account—Immunity from
4 liability) and 2008 c 115 s 6;

5 (66) RCW 64.34.392 (Reserve account and study—Exemption—
6 Disclosure) and 2019 c 238 s 221 & 2009 c 307 s 1;

7 (67) RCW 64.34.394 (Installation of drought resistant landscaping
8 or wildfire ignition resistant landscaping) and 2020 c 9 s 3;

9 (68) RCW 64.34.395 (Electric vehicle charging stations) and 2022
10 c 27 s 2;

11 (69) RCW 64.34.396 (Notice) and 2021 c 227 s 8;

12 (70) RCW 64.34.397 (Tenant screening) and 2023 c 23 s 2;

13 (71) RCW 64.34.398 (Licensed family home child care or licensed
14 child day care center—Regulations—Liability) and 2023 c 203 s 2;

15 (72) RCW 64.34.400 (Applicability—Waiver) and 1992 c 220 s 20,
16 1990 c 166 s 9, & 1989 c 43 s 4-101;

17 (73) RCW 64.34.405 (Public offering statement—Requirements—
18 Liability) and 1989 c 43 s 4-102;

19 (74) RCW 64.34.410 (Public offering statement—General provisions)
20 and 2008 c 115 s 10, 2005 c 456 s 19, 2004 c 201 s 11, 2002 c 323 s
21 10, 1997 c 400 s 1, 1992 c 220 s 21, & 1989 c 43 s 4-103;

22 (75) RCW 64.34.415 (Public offering statement—Conversion
23 condominiums) and 2005 c 456 s 18, 1992 c 220 s 22, 1990 c 166 s 10,
24 & 1989 c 43 s 4-104;

25 (76) RCW 64.34.417 (Public offering statement—Use of single
26 disclosure document) and 1990 c 166 s 11;

27 (77) RCW 64.34.418 (Public offering statement—Contract of sale—
28 Restriction on interest conveyed) and 1990 c 166 s 15;

29 (78) RCW 64.34.420 (Purchaser's right to cancel) and 1989 c 43 s
30 4-106;

31 (79) RCW 64.34.425 (Resale of unit) and 2022 c 27 s 5, 2011 c 48
32 s 1, 2008 c 115 s 11, 2004 c 201 s 4, 1992 c 220 s 23, 1990 c 166 s
33 12, & 1989 c 43 s 4-107;

34 (80) RCW 64.34.430 (Escrow of deposits) and 1992 c 220 s 24 &
35 1989 c 43 s 4-108;

36 (81) RCW 64.34.435 (Release of liens—Conveyance) and 1989 c 43 s
37 4-109;

1 (82) RCW 64.34.440 (Conversion condominiums—Notice—Tenants—
2 Relocation assistance) and 2022 c 165 s 5, 2008 c 113 s 1, 1992 c 220
3 s 25, 1990 c 166 s 13, & 1989 c 43 s 4-110;

4 (83) RCW 64.34.442 (Conversion condominium projects—Report) and
5 2023 c 470 s 2108 & 2008 c 113 s 3;

6 (84) RCW 64.34.443 (Express warranties of quality) and 1989 c 428
7 s 2;

8 (85) RCW 64.34.445 (Implied warranties of quality—Breach) and
9 2004 c 201 s 5, 1992 c 220 s 26, & 1989 c 43 s 4-112;

10 (86) RCW 64.34.450 (Implied warranties of quality—Exclusion—
11 Modification—Disclaimer—Express written warranty) and 2004 c 201 s 6
12 & 1989 c 43 s 4-113;

13 (87) RCW 64.34.452 (Warranties of quality—Breach—Actions for
14 construction defect claims) and 2004 c 201 s 7, 2002 c 323 s 11, &
15 1990 c 166 s 14;

16 (88) RCW 64.34.455 (Effect of violations on rights of action—
17 Attorney's fees) and 1989 c 43 s 4-115;

18 (89) RCW 64.34.460 (Labeling of promotional material) and 1989 c
19 43 s 4-116;

20 (90) RCW 64.34.465 (Improvements—Declarant's duties) and 1989 c
21 43 s 4-117;

22 (91) RCW 64.34.470 (Conversion condominium notice) and 2022 c 165
23 s 3;

24 (92) RCW 64.34.900 (Short title) and 1989 c 43 s 1-101;

25 (93) RCW 64.34.910 (Section captions) and 1989 c 43 s 4-119;

26 (94) RCW 64.34.930 (Effective date—1989 c 43) and 1989 c 43 s
27 4-124;

28 (95) RCW 64.34.931 (Effective date—2004 c 201 §§ 1-13) and 2004 c
29 201 s 14;

30 (96) RCW 64.34.940 (Construction against implicit repeal) and
31 1989 c 43 s 1-109; and

32 (97) RCW 64.34.950 (Uniformity of application and construction)
33 and 1989 c 43 s 1-110.

34 NEW SECTION. **Sec. 503.** The following acts or parts of acts, as
35 now existing or hereafter amended, are each repealed, effective
36 January 1, 2026:

37 (1) RCW 64.38.005 (Intent) and 1995 c 283 s 1;

38 (2) RCW 64.38.010 (Definitions) and 2023 c 337 s 2;

1 (3) RCW 64.38.015 (Association membership) and 1995 c 283 s 3;
2 (4) RCW 64.38.020 (Association powers) and 1995 c 283 s 4;
3 (5) RCW 64.38.025 (Board of directors—Standard of care—
4 Restrictions—Budget—Removal from board) and 2021 c 176 s 5232, 2019
5 c 238 s 222, 2011 c 189 s 8, & 1995 c 283 s 5;
6 (6) RCW 64.38.028 (Removal of discriminatory provisions in
7 governing documents—Procedure) and 2018 c 65 s 2 & 2006 c 58 s 2;
8 (7) RCW 64.38.030 (Association bylaws) and 1995 c 283 s 6;
9 (8) RCW 64.38.033 (Flag of the United States—Outdoor display—
10 Governing documents) and 2004 c 169 s 1;
11 (9) RCW 64.38.034 (Political yard signs—Governing documents) and
12 2005 c 179 s 1;
13 (10) RCW 64.38.035 (Association meetings—Notice—Board of
14 directors) and 2021 c 227 s 10, 2014 c 20 s 1, 2013 c 108 s 1, & 1995
15 c 283 s 7;
16 (11) RCW 64.38.040 (Quorum for meeting) and 1995 c 283 s 8;
17 (12) RCW 64.38.045 (Financial and other records—Property of
18 association—Copies—Annual financial statement—Accounts—Requirements
19 for retaining) and 2023 c 409 s 3 & 1995 c 283 s 9;
20 (13) RCW 64.38.050 (Violation—Remedy—Attorneys' fees) and 1995 c
21 283 s 10;
22 (14) RCW 64.38.055 (Governing documents—Solar panels) and 2009 c
23 51 s 1;
24 (15) RCW 64.38.057 (Governing documents—Drought resistant
25 landscaping, wildfire ignition resistant landscaping) and 2020 c 9 s
26 2;
27 (16) RCW 64.38.060 (Adult family homes) and 2009 c 530 s 4;
28 (17) RCW 64.38.062 (Electric vehicle charging stations) and 2022
29 c 27 s 3;
30 (18) RCW 64.38.065 (Reserve account and study) and 2019 c 238 s
31 223 & 2011 c 189 s 9;
32 (19) RCW 64.38.070 (Reserve study—Requirements) and 2011 c 189 s
33 10;
34 (20) RCW 64.38.075 (Reserve account—Withdrawals) and 2011 c 189 s
35 11;
36 (21) RCW 64.38.080 (Reserve study—Demand for preparation and
37 inclusion in budget) and 2011 c 189 s 12;
38 (22) RCW 64.38.085 (Reserve account and study—Liability) and 2011
39 c 189 s 13;

1 (23) RCW 64.38.090 (Reserve study—Exemptions) and 2019 c 238 s
2 224 & 2011 c 189 s 14;

3 (24) RCW 64.38.095 (Application to common interest communities)
4 and 2019 c 238 s 225 & 2018 c 277 s 505;

5 (25) RCW 64.38.100 (Liens for unpaid assessments—Notice of
6 delinquency—Second notice) and 2023 c 214 s 6, 2023 c 214 s 5, 2021 c
7 222 s 8, & 2021 c 222 s 7;

8 (26) RCW 64.38.110 (Notice) and 2023 c 470 s 3017 & 2021 c 227 s
9 11;

10 (27) RCW 64.38.120 (Voting—In person, absentee ballots, proxies)
11 and 2021 c 227 s 12;

12 (28) RCW 64.38.130 (Tenant screening) and 2023 c 23 s 3;

13 (29) RCW 64.38.140 (Licensed family home child care or licensed
14 child day care center—Regulations—Liability) and 2023 c 203 s 3;

15 (30) RCW 64.38.150 (New associations minimum density) and 2023 c
16 332 s 12; and

17 (31) RCW 64.38.160 (New associations—Accessory dwelling units)
18 and 2023 c 334 s 11.

19 NEW SECTION. **Sec. 504.** The following acts or parts of acts, as
20 now existing or hereafter amended, are each repealed, effective
21 January 1, 2026:

22 (1) RCW 58.19.010 (Purpose) and 1992 c 191 s 1 & 1973 1st ex.s. c
23 12 s 1;

24 (2) RCW 58.19.020 (Definitions) and 1992 c 191 s 2, 1979 c 158 s
25 208, & 1973 1st ex.s. c 12 s 2;

26 (3) RCW 58.19.030 (Exemptions from chapter) and 1994 c 92 s 504,
27 1979 c 158 s 209, & 1973 1st ex.s. c 12 s 3;

28 (4) RCW 58.19.045 (Public offering statement—Developer's duties—
29 Purchaser's rights) and 1992 c 191 s 4;

30 (5) RCW 58.19.055 (Public offering statement—Contents) and 1992 c
31 191 s 5;

32 (6) RCW 58.19.120 (Report of changes required—Amendments) and
33 1992 c 191 s 6 & 1973 1st ex.s. c 12 s 12;

34 (7) RCW 58.19.130 (Public offering statement form—Type and style
35 restriction) and 1973 1st ex.s. c 12 s 13;

36 (8) RCW 58.19.140 (Public offering statement—Promotional use,
37 distribution restriction—Holding out that state or employees, etc.,
38 approve development prohibited) and 1973 1st ex.s. c 12 s 14;

1 (9) RCW 58.19.180 (Unlawful to sell lots or parcels subject to
2 blanket encumbrance which does not provide purchaser can obtain clear
3 title—Alternatives) and 1992 c 191 s 7 & 1973 1st ex.s. c 12 s 18;

4 (10) RCW 58.19.185 (Requiring purchaser to pay additional sum to
5 construct, complete or maintain development) and 1977 ex.s. c 252 s
6 1;

7 (11) RCW 58.19.190 (Advertising—Materially false, misleading, or
8 deceptive statements prohibited) and 1992 c 191 s 8 & 1973 1st ex.s.
9 c 12 s 19;

10 (12) RCW 58.19.265 (Violations—Remedies—Attorneys' fees) and
11 1992 c 191 s 9;

12 (13) RCW 58.19.270 (Violations deemed unfair practice subject to
13 chapter 19.86 RCW) and 1992 c 191 s 10 & 1973 1st ex.s. c 12 s 27;

14 (14) RCW 58.19.280 (Jurisdiction of superior courts) and 1973 1st
15 ex.s. c 12 s 28;

16 (15) RCW 58.19.300 (Hazardous conditions—Notice) and 1992 c 191 s
17 11 & 1973 1st ex.s. c 12 s 30;

18 (16) RCW 58.19.920 (Liberal construction) and 1973 1st ex.s. c 12
19 s 33; and

20 (17) RCW 58.19.940 (Short title) and 1992 c 191 s 12 & 1973 1st
21 ex.s. c 12 s 35.

22 NEW SECTION. **Sec. 505.** The following acts or parts of acts, as
23 now existing or hereafter amended, are each repealed, effective
24 January 1, 2026:

25 (1) RCW 64.04.055 (Deeds for conveyance of apartments under
26 horizontal property regimes act) and 1963 c 156 s 29; and

27 (2) RCW 64.90.090 (Prior condominium statutes) and 2019 c 238 s
28 205 & 2018 c 277 s 119.

29 **Sec. 506.** RCW 64.90.075 and 2019 c 238 s 203 are each amended to
30 read as follows:

31 (1) Except as provided otherwise in this section, RCW 64.90.080
32 (as recodified by this act), and section 507 of this act, this
33 chapter applies to all common interest communities (~~created within~~
34 ~~this state on or after July 1, 2018~~)).

35 (2) Before January 1, 2026, this chapter applies only to:

36 (a) A common interest community created on or after July 1, 2018;
37 and

1 (b) A common interest community created before July 1, 2018, that
2 amends its declaration to elect to be subject to this chapter.

3 (3) Chapters 58.19, 64.32, 64.34, and 64.38 RCW ((~~de~~)):

4 (a) Do not apply to common interest communities ((~~created on or~~
5 after July 1, 2018)) subject to this chapter; and

6 (b) Apply to a common interest community created before July 1,
7 2018, only until the community becomes subject to this chapter.

8 ~~((2))~~ (4)(a) Unless the declaration provides that this entire
9 chapter is applicable, a plat community or miscellaneous community
10 that is not subject to any development right is subject only to RCW
11 64.90.020, 64.90.025, and 64.90.030, if the community: ~~((a))~~ (i)
12 Contains no more than (~~twelve~~) 12 units; and (~~b~~) (ii) provides
13 in its declaration that the annual average assessment of all units
14 restricted to residential purposes, exclusive of optional user fees
15 and any insurance premiums paid by the association, may not exceed
16 (~~three hundred dollars~~) \$300, as adjusted pursuant to RCW
17 64.90.065.

18 ~~((3))~~ (b) The exemption provided in ~~((subsection (2) of))~~ this
19 subsection applies only if:

20 ~~((a))~~ (i) The declarant reasonably believes in good faith that
21 the maximum stated assessment will be sufficient to pay the expenses
22 of the association for the community; and

23 ~~((b))~~ (ii) The declaration provides that the assessment may not
24 be increased above the limitation in ~~((subsection (2)))~~ (a)(ii) of
25 this subsection prior to the transition meeting without the consent
26 of unit owners, other than the declarant, holding ~~((ninety))~~ 90
27 percent of the votes in the association.

28 ~~((4) Except))~~ (5) Before January 1, 2026, except as otherwise
29 provided in RCW 64.90.080, this chapter does not apply to any common
30 interest community created within this state on or after July 1,
31 2018, if:

32 (a) That common interest community is made part of a common
33 interest community created in this state prior to July 1, 2018,
34 pursuant to a right expressly set forth in the declaration of the
35 preexisting common interest community; and

36 (b) The declaration creating that common interest community
37 expressly subjects that common interest community to the declaration
38 of the preexisting common interest community pursuant to such right
39 described in (a) of this subsection.

1 NEW SECTION. **Sec. 507.** (1) Except as provided in subsection (2)
2 of this section, if a common interest community created before
3 January 1, 2018, becomes subject to this chapter on January 1, 2026,
4 or earlier, a provision of its governing documents inconsistent with
5 this chapter is invalid unless:

6 (a) The provision is expressly permitted under section 303 of
7 this act; or

8 (b) The common interest community is a plat community or
9 miscellaneous community described in RCW 64.90.075(4) (as recodified
10 by this act), or a nonresidential or mixed-use common interest
11 community described in RCW 64.90.100.

12 (2) This chapter does not require a common interest community
13 validly created before January 1, 2018, to:

14 (a) Comply with the requirements of this chapter for creation of
15 a common interest community; or

16 (b) Prepare or amend the map.

17 (3) This chapter does not invalidate an action validly taken or
18 transaction validly entered into before a common interest community
19 becomes subject to this chapter.

20 **Sec. 508.** RCW 64.90.080 and 2019 c 238 s 204 are each amended to
21 read as follows:

22 (1) Except for a plat community or miscellaneous community
23 described in RCW 64.90.075(4) (as recodified by this act) and a
24 nonresidential or mixed-use common interest community described in
25 RCW 64.90.100, ((RCW 64.90.095, 64.90.405(1) (b) and (c), 64.90.525
26 and 64.90.545 apply)) the following sections apply to a common
27 interest community created before July 1, 2018, and any inconsistent
28 provisions of chapter 58.19, 64.32, 64.34, or 64.38 RCW do not
29 apply((, to a common interest community created in this state before
30 July 1, 2018))):

31 (a) RCW 64.90.095 (as recodified by this act);

32 (b) RCW 64.90.405(1) (b) and (c);

33 (c) RCW 64.90.525;

34 (d) RCW 64.90.545; and

35 (e) RCW 64.90.010, to the extent necessary to construe this
36 subsection.

37 (2) Except to the extent provided in this subsection, the
38 sections listed in subsection (1) of this section apply only to
39 events and circumstances occurring on or after July 1, 2018, and do

1 not invalidate existing provisions of the governing documents of
2 those common interest communities existing on July 1, 2018. To
3 protect the public interest, RCW 64.90.095 (as recodified by this
4 act) and 64.90.525 supersede existing provisions of the governing
5 documents of all plat communities and miscellaneous communities
6 previously subject to chapter 64.38 RCW.

7 (3) This section does not apply to a common interest community
8 that becomes subject to this chapter under RCW 64.90.075(1) (as
9 recodified by this act) or by election under RCW 64.90.075(4) (as
10 recodified by this act), 64.90.095(1)(b) (as recodified by this act),
11 or 64.90.100.

12 **Sec. 509.** RCW 64.90.095 and 2018 c 277 s 120 are each amended to
13 read as follows:

14 (1) The declaration of any common interest community created
15 before July 1, 2018, or of a plat community or miscellaneous
16 community described in RCW 64.90.075(4) (as recodified by this act)
17 may be amended to ~~((provide))~~:

18 (a) Provide that all the sections listed in RCW 64.90.080(1) (as
19 recodified by this act) apply to the common interest community; or

20 (b) Provide that this chapter will apply to the common interest
21 community, regardless of what applicable law provided before chapter
22 277, Laws of 2018 was adopted.

23 (2) Except as provided otherwise in subsection (3) of this
24 section or in RCW 64.90.285 ~~((9), (10), or (11))~~ (8), (9), or (10),
25 an amendment under this section to the governing documents
26 ~~((authorized under this section))~~ of a common interest community
27 created before July 1, 2018, must be adopted in conformity with any
28 procedures and requirements for amending the instruments specified by
29 those instruments and in conformity with the amendment procedures of
30 this chapter. If the governing documents do not contain provisions
31 authorizing amendment, the amendment procedures of this chapter
32 apply. If an amendment grants to a person a right, power, or
33 privilege permitted under this chapter, any correlative obligation,
34 liability, or restriction in this chapter also applies to the person.

35 (3) Notwithstanding any provision in the governing documents of a
36 common interest community that govern the procedures and requirements
37 for amending the governing documents, an amendment under subsection
38 (1) of this section may be made as follows:

1 (a) The board shall propose such amendment to the owners if the
2 board deems it appropriate or if owners holding (~~twenty~~) 20 percent
3 or more of the votes in the association request such an amendment in
4 writing to the board;

5 (b) Upon satisfaction of the foregoing requirements, the board
6 shall prepare a proposed amendment and shall provide the owners with
7 a notice in a record containing the proposed amendment and at least
8 (~~thirty~~) 30 days' advance notice of a meeting to discuss the
9 proposed amendment;

10 (c) Following such meeting, the board shall provide the owners
11 with a notice in a record containing the proposed amendment and a
12 ballot to approve or reject the amendment;

13 (d) The amendment shall be deemed approved if owners holding at
14 least (~~thirty~~) 30 percent of the votes in the association
15 participate in the voting process, and at least (~~sixty-seven~~) 67
16 percent of the votes cast by participating owners are in favor of the
17 proposed amendment.

18 NEW SECTION. Sec. 510. RCW 64.90.075, 64.90.080, and 64.90.095
19 are recodified as sections in chapter 64.90 RCW under the subchapter
20 heading "APPLICABILITY AND TRANSITION."

21 NEW SECTION. Sec. 511. Section 507 of this act is added to
22 chapter 64.90 RCW and codified with the subchapter heading
23 "APPLICABILITY AND TRANSITION."

24 NEW SECTION. Sec. 512. (1) Section 319 of this act takes effect
25 January 1, 2025.

26 (2) Sections 401 through 432 of this act take effect January 1,
27 2026.

28 NEW SECTION. Sec. 513. Section 318 of this act expires January
29 1, 2025.

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