## SUBSTITUTE SENATE BILL 6001

State of Washington 65th Legislature 2018 Regular Session

**By** Senate Law & Justice (originally sponsored by Senators Keiser and Kuderer)

1 AN ACT Relating to amendments to bylaws of a condominium 2 association; and amending RCW 64.34.324 and 64.34.010.

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

4 Sec. 1. RCW 64.34.324 and 2004 c 201 s 3 are each amended to 5 read as follows:

6 (1) Unless provided for in the declaration, the bylaws of the 7 association shall provide for:

8 (a) The number, qualifications, powers and duties, terms of 9 office, and manner of electing and removing the board of directors 10 and officers and filling vacancies;

(b) Election by the board of directors of such officers of the association as the bylaws specify;

13 (c) Which, if any, of its powers the board of directors or 14 officers may delegate to other persons or to a managing agent;

(d) Which of its officers may prepare, execute, certify, andrecord amendments to the declaration on behalf of the association;

17 (e) <u>Subject to subsection (4) of this section, the method of</u> 18 amending the bylaws; and

(f) A statement of the standard of care for officers and membersof the board of directors imposed by RCW 64.34.308(1).

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1 (2) Subject to the provisions of the declaration, the bylaws may 2 provide for any other matters the association deems necessary and 3 appropriate.

(3) In determining the qualifications of any officer or director 4 the association, notwithstanding the provision of 5 of RCW б 64.34.020((<del>(32)</del>)) <u>(42)</u> the term "unit owner" in such context shall, 7 unless the declaration or bylaws otherwise provide, be deemed to include any director, officer, partner in, or trustee of any person, 8 who is, either alone or in conjunction with another person or 9 persons, a unit owner. Any officer or director of the association who 10 would not be eligible to serve as such if he or she were not a 11 12 director, officer, partner in, or trustee of such a person shall be disqualified from continuing in office if he or she ceases to have 13 any such affiliation with that person, or if that person would have 14 been disqualified from continuing in such office as a natural person. 15

16 <u>(4) If the affirmative vote of a minimum percentage of total</u> 17 <u>votes allocated to units or unit owners is required to amend the</u> 18 <u>bylaws, the bylaws may be amended by applying the minimum percentage</u> 19 <u>of affirmative votes to the number of votes received rather than the</u> 20 <u>total number of votes allocated if:</u>

21 (a) The proposed amendment does not address the method of 22 amending the bylaws as provided in subsection (1)(e) of this section; 23 and

24 (b) Unit owners are provided with at least three advance notices, 25 sent by certified United States mail at least ten days apart, and 26 which include:

27 (i) The text of each proposed amendment to be voted on;

28 (ii) The method by which the unit owner can vote on the proposed 29 amendment, either by attendance at a properly convened meeting or 30 other voting process permitted by the governing documents; and

31 (iii) A statement that the minimum percentage of votes needed for 32 passage of the amendment will be applied to the number of votes 33 returned and the failure to vote is neither a vote in favor or 34 against the proposed amendment.

35 **Sec. 2.** RCW 64.34.010 and 2011 c 189 s 6 are each amended to 36 read as follows:

(1) This chapter applies to all condominiums created within this
state after July 1, 1990. RCW 64.34.040 (separate titles and
taxation), RCW 64.34.050 (applicability of local ordinances,

regulations, and building codes), RCW 64.34.060 (condemnation), RCW 1 64.34.208 (construction and validity of declaration and bylaws), RCW 2 64.34.268 (1) through (7) and (10) (termination of condominium), RCW 3 64.34.212 (description of units), RCW 64.34.304(1) (a) through (f) 4 and (k) through (t) (powers of unit owners' association), RCW 5 64.34.308(1) (board of directors and officers), <u>RCW 64.34.324(4)</u> 6 7 (amendments to bylaws), RCW 64.34.340 (voting-proxies), RCW 64.34.344 (tort and contract liability), RCW 64.34.354 (notification on sale of 8 unit), RCW 64.34.360(3) (common expenses—assessments), RCW 64.34.364 9 (lien for assessments), RCW 64.34.372 (association records), RCW 10 11 64.34.425 (resales of units), RCW 64.34.455 (effect of violation on 12 rights of action; attorney's fees), RCW 64.34.380 through 64.34.392 13 (reserve studies and accounts), and RCW 64.34.020 (definitions) to 14 the extent necessary in construing any of those sections, apply to all condominiums created in this state before July 1, 1990; but those 15 apply only with respect to events and circumstances 16 sections occurring after July 1, 1990, and do not invalidate or supersede 17 18 existing, inconsistent provisions of the declaration, bylaws, or 19 survey maps or plans of those condominiums.

The provisions of chapter 64.32 RCW do not apply to 20 (2) condominiums created after July 1, 1990, and do not invalidate any 21 amendment to the declaration, bylaws, and survey maps and plans of 22 23 any condominium created before July 1, 1990, if the amendment would 24 be permitted by this chapter. The amendment must be adopted in conformity with the procedures and requirements specified by those 25 instruments and by chapter 64.32 RCW. If the amendment grants to any 26 person any rights, powers, or privileges permitted by this chapter 27 28 which are not otherwise provided for in the declaration or chapter 29 64.32 RCW, all correlative obligations, liabilities, and restrictions 30 in this chapter also apply to that person.

(3) This chapter does not apply to condominiums or units locatedoutside this state.

(4) RCW 64.34.400 (applicability—waiver), RCW 33 64.34.405 34 (liability for public offering statement requirements), RCW 64.34.410 (public offering statement—general provisions), RCW 64.34.415 (public 35 statement—conversion condominiums), RCW 64.34.420 36 offering 37 (purchaser's right to cancel), RCW 64.34.430 (escrow of deposits), 38 RCW 64.34.440 (conversion condominiums—notice—tenants-relocation 39 assistance), and RCW 64.34.455 (effect of violations on rights of action—attorney's fees) apply with respect to all sales of units pursuant to purchase agreements entered into after July 1, 1990, in condominiums created before July 1, 1990, in which as of July 1, 1990, the declarant or an affiliate of the declarant owns or had the right to create at least ten units constituting at least twenty percent of the units in the condominium.

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