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SENATE BILL 5774

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State of Washington

57th Legislature

2001 Regular Session

By Senators Kohl-Welles, Winsley and Fairley

Read first time 02/02/2001. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to condominium resale certificates; and  
2 amending RCW 64.34.425.

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

4 **Sec. 1.** RCW 64.34.425 and 1992 c 220 s 23 are each amended to read  
5 as follows:

6 (1) Except in the case of a sale where delivery of a public  
7 offering statement is required, or unless exempt under RCW  
8 64.34.400(2), a unit owner shall furnish to a purchaser before  
9 execution of any contract for sale of a unit, or otherwise before  
10 conveyance, a resale certificate, signed by an officer or  
11 authorized agent of the association and based on the books and  
12 records of the association and the actual knowledge of the person  
13 signing the certificate, containing:

14 (a) A statement disclosing any right of first refusal or other  
15 restraint on the free alienability of the unit contained in the  
16 declaration;

17 (b) A statement setting forth the amount of the monthly common  
18 expense assessment and any unpaid common expense or special

1 assessment currently due and payable from the selling unit owner  
2 and a statement of any special assessments that have been levied  
3 against the unit which have not been paid even though not yet due;

4 (c) A statement, which shall be current to within forty-five  
5 days, of any common expenses or special assessments against any  
6 unit in the condominium that are past due over thirty days;

7 (d) A statement, which shall be current to within forty-five  
8 days, of any obligation of the association which is past due over  
9 thirty days;

10 (e) A statement of any other fees payable by unit owners;

11 (f) A statement of any anticipated repair or replacement cost  
12 in excess of five percent of the annual budget of the association  
13 that has been approved by the board of directors;

14 (g) A statement of the amount of any reserves for repair or  
15 replacement and of any portions of those reserves currently  
16 designated by the association for any specified projects;

17 (h) The annual financial statement of the association,  
18 including the audit report if it has been prepared, for the year  
19 immediately preceding the current year((-))i

20 (i) A balance sheet and a revenue and expense statement of the  
21 association prepared on an accrual basis, which shall be current  
22 to within one hundred twenty days;

23 (j) The current operating budget of the association;

24 (k) A statement of any unsatisfied judgments against the  
25 association and the status of any pending suits in which the  
26 association is a defendant;

27 (l) A statement describing any insurance coverage provided for  
28 the benefit of unit owners;

29 (m) A statement as to whether there are any alterations or  
30 improvements to the unit or to the limited common elements  
31 assigned thereto that violate any provision of the declaration;

32 (n) A statement of the number of units, if any, still owned by  
33 the declarant, whether the declarant has transferred control of  
34 the association to the unit owners, and the date of such transfer;

35 (o) A statement as to whether there are any violations of the  
36 health or building codes with respect to the unit, the limited  
37 common elements assigned thereto, or any other portion of the  
38 condominium;

1 (p) A statement of the remaining term of any leasehold estate  
2 affecting the condominium and the provisions governing any  
3 extension or renewal thereof; and

4 (q) A copy of the declaration, the bylaws, the rules or  
5 regulations of the association, and any other information  
6 reasonably requested by mortgagees of prospective purchasers of  
7 units. Information requested generally by the federal national  
8 mortgage association, the federal home loan bank board, the  
9 government national mortgage association, the veterans  
10 administration and the department of housing and urban development  
11 shall be deemed reasonable, provided such information is  
12 reasonably available to the association.

13 (2) The association, within ten days after a request by a unit  
14 owner, and subject to payment of any fee imposed pursuant to RCW  
15 64.34.304(1)(1), shall furnish a resale certificate signed by an  
16 officer or authorized agent of the association and containing the  
17 information necessary to enable the unit owner to comply with this  
18 section. For the purposes of this chapter, a reasonable charge for  
19 the preparation of a resale certificate may not exceed (~~one~~) two  
20 hundred fifty dollars. The association may charge a unit owner a  
21 nominal fee for updating a resale certificate within six months of  
22 the unit owner's request. The unit owner shall also sign the  
23 certificate but the unit owner is not liable to the purchaser for  
24 any erroneous information provided by the association and included  
25 in the certificate unless and to the extent the unit owner had  
26 actual knowledge thereof.

27 (3) A purchaser is not liable for any unpaid assessment or fee  
28 against the unit as of the date of the certificate greater than  
29 the amount set forth in the certificate prepared by the  
30 association unless and to the extent such purchaser had actual  
31 knowledge thereof. A unit owner is not liable to a purchaser for  
32 the failure or delay of the association to provide the certificate  
33 in a timely manner, but the purchaser's contract is voidable by  
34 the purchaser until the certificate has been provided and for five  
35 days thereafter or until conveyance, whichever occurs first.

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