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SENATE BILL 5547

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State of Washington

59th Legislature

2005 Regular Session

By Senators Roach and Johnson

Read first time 01/27/2005. Referred to Committee on Financial Institutions, Housing & Consumer Protection.

1 AN ACT Relating to the dissolution of homeowners' associations; and  
2 adding a new section to chapter 64.38 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 64.38 RCW  
5 to read as follows:

6 Notwithstanding any provision to the contrary in the governing  
7 documents of the association, if the following conditions are met, a  
8 majority of the owners in the association may vote in person or by  
9 proxy at an annual or special meeting of the association held pursuant  
10 to RCW 64.38.035 to dissolve the association. Provision shall be made  
11 for disposition of assets and liabilities of the association:

12 (1) Written notice served upon the board of directors by any owner  
13 in the association of facts that, if true, would more probably than not  
14 substantiate the allegation that the board failed to comply with this  
15 chapter;

16 (2) Expiration of thirty calendar days from the date of service  
17 required in subsection (1) of this section to afford the board  
18 opportunity to correct the alleged failure; and

1           (3) Written notice served upon the board of directors by any owner  
2 in the association that the failure alleged in subsection (1) of this  
3 section has not been corrected and as part of this written notice, the  
4 demand that the notice of meeting and the business to be placed on the  
5 agenda required by RCW 64.38.035 shall include the following  
6 proposition stated in substantially the following manner:

7           Shall the association be BOTH dissolved AND disposition of the  
8 assets and liabilities be referred to a disinterested third party?

9           Upon receipt of the demand substantially complying with the  
10 requirements under this subsection, the board of directors shall cause  
11 the notice of meeting to contain the agenda item as stated.

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