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SENATE BILL 5031

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State of Washington                      60th Legislature                      2007 Regular Session

By Senators Jacobsen, Murray and Kline

Read first time 01/08/2007.      Referred to Committee on Consumer Protection & Housing.

1            AN ACT Relating to the protection of tenants of conversion  
2 condominiums; and amending RCW 64.34.440.

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

4            **Sec. 1.** RCW 64.34.440 and 1992 c 220 s 25 are each amended to read  
5 as follows:

6            (1)(a) A declarant of a conversion condominium, and any dealer who  
7 intends to offer units in such a condominium, shall give each of the  
8 residential tenants and any residential subtenant in possession of a  
9 portion of a conversion condominium notice of the conversion and  
10 provide those persons with the public offering statement no later than  
11 ((ninety)) one hundred twenty days before the tenants and any subtenant  
12 in possession are required to vacate. The notice must:

13            (i) Set forth generally the rights of tenants and subtenants under  
14 this section ((and shall));

15            (ii) Be delivered pursuant to notice requirements set forth in RCW  
16 59.12.040; and

17            (iii) Expressly state whether there is a county or city relocation  
18 assistance program for tenants or subtenants of conversion condominiums

1 in the jurisdiction in which the property is located. If the county or  
2 city does have a relocation assistance program, the following must also  
3 be included in the notice:

4 (A) The terms and conditions under which relocation assistance is  
5 paid; and

6 (B) Contact information for the city or county relocation  
7 assistance program, which must include, at a minimum, a telephone  
8 number of the city or county department that administers the relocation  
9 assistance program for conversion condominiums.

10 (b) No tenant or subtenant may be required to vacate upon less than  
11 ((ninety)) one hundred twenty days' notice, except by reason of  
12 nonpayment of rent, waste, conduct that disturbs other tenants'  
13 peaceful enjoyment of the premises, or act of unlawful detainer as  
14 defined in RCW 59.12.030, and the terms of the tenancy may not be  
15 altered during that period.

16 (c) Nothing in this subsection shall be deemed to waive or repeal  
17 RCW 59.18.200(2). Failure to give notice as required by this section  
18 is a defense to an action for possession.

19 (2) For sixty days after delivery or mailing of the notice  
20 described in subsection (1) of this section, the person required to  
21 give the notice shall offer to convey each unit or proposed unit  
22 occupied for residential use to the tenant who leases that unit. If a  
23 tenant fails to purchase the unit during that sixty-day period, the  
24 offeror may offer to dispose of an interest in that unit during the  
25 following one hundred eighty days at a price or on terms more favorable  
26 to the offeree than the price or terms offered to the tenant only if:

27 (a) Such offeror, by written notice mailed to the tenant's last known  
28 address, offers to sell an interest in that unit at the more favorable  
29 price and terms, and (b) such tenant fails to accept such offer in  
30 writing within ten days following the mailing of the offer to the  
31 tenant. This subsection does not apply to any unit in a conversion  
32 condominium if that unit will be restricted exclusively to  
33 nonresidential use or the boundaries of the converted unit do not  
34 substantially conform to the dimensions of the residential unit before  
35 conversion.

36 (3) If a seller, in violation of subsection (2) of this section,  
37 conveys a unit to a purchaser for value who has no knowledge of the  
38 violation, recording of the deed conveying the unit extinguishes any

1 right a tenant may have to purchase that unit but does not affect the  
2 right of a tenant to recover damages from the seller for a violation of  
3 subsection (2) of this section.

4 (4) If a notice of conversion specifies a date by which a unit or  
5 proposed unit must be vacated and otherwise complies with the  
6 provisions of this chapter and chapter 59.18 RCW, the notice also  
7 constitutes a notice to vacate specified by that statute.

8 (5) Nothing in this section permits termination of a lease by a  
9 declarant in violation of its terms.

10 (6) Notwithstanding RCW 64.34.050(1), a city or county may by  
11 appropriate ordinance (~~require~~) establish requirements with respect  
12 to any conversion condominium within the jurisdiction of such city or  
13 county that may include, but are not limited to, the following:

14 (a) In addition to the statement required by RCW 64.34.415(1)(a),  
15 the public offering statement shall contain a copy of the written  
16 inspection report prepared by the appropriate department of such city  
17 or county, which report shall list any violations of the housing code  
18 or other governmental regulation, which code or regulation is  
19 applicable regardless of whether the real property is owned as a  
20 condominium or in some other form of ownership; said inspection shall  
21 be made within forty-five days of the declarant's written request  
22 therefor and said report shall be issued within fourteen days of said  
23 inspection being made. Such inspection may not be required with  
24 respect to any building for which a final certificate of occupancy has  
25 been issued by the city or county within the preceding twenty-four  
26 months; and any fee imposed for the making of such inspection may not  
27 exceed the fee that would be imposed for the making of such an  
28 inspection for a purpose other than complying with this subsection  
29 (6)(a);

30 (b) Prior to the conveyance of any residential unit within a  
31 conversion condominium, other than a conveyance to a declarant or  
32 affiliate of a declarant: (i) All violations disclosed in the  
33 inspection report provided for in (a) of this subsection, and not  
34 otherwise waived by such city or county, shall be repaired, and (ii) a  
35 certification shall be obtained from such city or county that such  
36 repairs have been made, which certification shall be based on a  
37 reinspection to be made within seven days of the declarant's written

1 request therefor and which certification shall be issued within seven  
2 days of said reinspection being made;

3 (c) The repairs required to be made under (b) of this subsection  
4 shall be warranted by the declarant against defects due to workmanship  
5 or materials for a period of one year following the completion of such  
6 repairs;

7 (d) Prior to the conveyance of any residential unit within a  
8 conversion condominium, other than a conveyance to a declarant or  
9 affiliate of a declarant: (i) The declarant shall establish and  
10 maintain, during the one-year warranty period provided under (c) of  
11 this subsection, an account containing a sum equal to ten percent of  
12 the actual cost of making the repairs required under (b) of this  
13 subsection; (ii) during the one-year warranty period, the funds in such  
14 account shall be used exclusively for paying the actual cost of making  
15 repairs required, or for otherwise satisfying claims made, under such  
16 warranty; (iii) following the expiration of the one-year warranty  
17 period, any funds remaining in such account shall be immediately  
18 disbursed to the declarant; and (iv) the declarant shall notify in  
19 writing the association and such city or county as to the location of  
20 such account and any disbursements therefrom; (~~and~~)

21 (e) A declarant shall pay relocation assistance (~~((not to exceed~~  
22 ~~five hundred dollars per unit shall be paid))~~), in an amount to be  
23 determined by the city or county, to tenants and subtenants:

24 (i) Who elect not to purchase a unit (~~and~~);

25 (ii) Who are in lawful occupancy for residential purposes of a  
26 unit; and

27 (iii) Whose monthly household income from all sources, on the date  
28 of the notice described in subsection (1) of this section, was less  
29 than an amount equal to eighty percent of (~~((+i))~~);

30 (A) The monthly median income for comparably sized households in  
31 the standard metropolitan statistical area, as defined and established  
32 by the United States department of housing and urban development, in  
33 which the condominium is located(~~((τ))~~); or (~~((+ii))~~)

34 (B) If the condominium is not within a standard metropolitan  
35 statistical area, the monthly median income for comparably sized  
36 households in the state of Washington, as defined and determined by  
37 said department.

1 The household size of a unit shall be based on the number of  
2 persons actually in lawful occupancy of the unit. The tenant or  
3 subtenant actually in lawful occupancy of the unit shall be entitled to  
4 the relocation assistance. Relocation assistance shall be paid on or  
5 before the date the tenant or subtenant vacates and shall be in  
6 addition to any damage deposit or other compensation or refund to which  
7 the tenant is otherwise entitled. Unpaid rent or other amounts owed by  
8 the tenant or subtenant to the landlord may be offset against the  
9 relocation assistance; and

10 (f)(i) A declarant and any dealer shall not begin any construction,  
11 remodeling, or repairs to any portion of a building that is to be  
12 converted to a condominium or the lot on which the conversion  
13 condominium is located:

14 (A) During the one hundred twenty-day notice period provided for in  
15 this section; or

16 (B) Earlier than twelve hours after the last tenant or subtenant,  
17 who elected not to purchase a unit and who is in lawful occupancy, has  
18 vacated the premises.

19 (ii) For the purposes of this subsection, "construction,  
20 remodeling, or repairs" means the work that is done for the purpose of  
21 converting the condominium, not work that is done to maintain the  
22 building or lot for the residential use of the existing tenants or  
23 subtenants.

24 (7) Violations of any city or county ordinance adopted as  
25 authorized by subsection (6) of this section shall give rise to such  
26 remedies, penalties, and causes of action which may be lawfully imposed  
27 by such city or county. Such violations shall not invalidate the  
28 creation of the condominium or the conveyance of any interest therein.

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