

SENATE BILL REPORT

SB 6000

As of February 23, 2009

Title: An act relating to real estate disclosure requirements regarding homeowners' associations.

Brief Description: Modifying real estate disclosure requirements regarding homeowners' associations.

Sponsors: Senators Fraser, Benton, Tom and Roach.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 2/24/09.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Staff: Philip Brady (786-7460)

Background: A homeowners' association (HOA) is an organization consisting of the homeowners and property owners within a residential development. HOAs generally levy and collect assessments, manage and maintain common property for the benefit of the residents, and enforce covenants that govern developments. The authority to carry out these functions comes from governing documents including the declaration of covenants, conditions, and restrictions.

A seller of residential land must provide a buyer with a disclosure statement about the property unless the buyer waives the right to receive it. There are disclosure requirements for both improved and unimproved residential real property. These disclosure forms are specified in statute. The seller must check "yes," "no," or "don't know" in response to questions and may be required to explain some answers. The disclosures concern a variety of conditions, including existence of a homeowners association, its name, the size of regular periodic assessments, any pending special assessments, and the presence or absence of common areas.

Summary of Bill: In addition to existing disclosure requirements, sellers must provide contact information for a member of the board of directors. The seller must also provide the association's most recent financial statement; minutes from meetings during the last year; a copy of the covenants, bylaws, and rules; and any fining policy.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Requested on February 22, 2009.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.