

HOUSE BILL REPORT

HB 1259

As Reported by House Committee On:
Judiciary

Title: An act relating to the notice requirement for homeowners' associations meetings.

Brief Description: Concerning notice requirements for homeowners' associations meetings.

Sponsors: Representatives Seaquist and Kelley.

Brief History:

Committee Activity:

Judiciary: 2/3/11, 2/10/11 [DPS].

Brief Summary of Substitute Bill

- Adds electronic transmission to the list of acceptable methods for providing notice of homeowners' association meetings to homeowners.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Pedersen, Chair; Goodman, Vice Chair; Rodne, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Chandler, Eddy, Frockt, Kirby, Klippert, Nealey, Orwall, Rivers and Roberts.

Staff: Kelly Pfundheller (786-7289).

Background:

A homeowners' association (association) is a legal entity with membership comprised of the owners of residential real property located within a development or other specified area. An association typically arises from restrictive covenants recorded by a developer against property in a subdivision. An association is managed by a board of directors who are elected by the members once the developer relinquishes control. In general, the purpose of an association is to manage and maintain a subdivision's common areas and structures, to review design, and to maintain architectural control.

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.

Homeowners' Associations must hold annual meetings, and special meetings may be called by the president, a majority of the board of directors, or by owners having 10 percent of the votes of the association. The Secretary or other officer specified in the bylaws must provide notice of the meeting to each owner. A notice can be sent by first-class mail or hand-delivered to an owner's mailing address or other address designated in writing.

Summary of Substitute Bill:

Meeting notices may be sent by electronic transmission as long as the owner provides written consent. An owner may revoke consent at any time, and consent is deemed revoked if the association is unable to transmit two consecutive notices.

Substitute Bill Compared to Original Bill:

The substitute bill requires consent by the owner before sending notices by electronic transmission while the original bill allows electronic transmission unless an owner elects otherwise.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) None.

(In support with concerns) This bill allows homeowners' associations to send notices by electronic mail (e-mail). While it is understood that most, if not all, of these types of communications will be transmitted electronically in the future, we should be cautious about taking the first step. This bill might lead to a homeowner writing an e-mail address on a document without knowing it will be used for the transmission of meeting notices. Associations should be required to obtain consent prior to sending notices electronically. This is the current rule for other areas of law, including in the Corporations Act.

(Opposed) None.

Persons Testifying: Kathryn Hedrick, Community Association Institute.

Persons Signed In To Testify But Not Testifying: None.