

SENATE BILL REPORT

SHB 1259

As Reported by Senate Committee On:
Financial Institutions, Housing & Insurance, February 22, 2012

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

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

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Seaquist and Kelley).

Brief History: Passed House: 1/30/12, 96-0.

Committee Activity: Financial Institutions, Housing & Insurance: 2/22/12 [DP].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Majority Report: Do pass.

Signed by Senators Hobbs, Chair; Prentice, Vice Chair; Benton, Ranking Minority Member; Fain, Haugen, Keiser and Litzow.

Staff: Alison Mendiola (786-7483)

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

HOAs 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 HOA. 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 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 HOA is unable to transmit two consecutive notices.

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.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Some associations are small and mailing expenses can be quite high. Some sideboards have been added so that a homeowner would have to choose to receive email notification for meetings and if two emails bounced back, then the association would not provide further email notice. The homeowner can revoke the email consent at any time.

Persons Testifying: PRO: Representative Seaquist, prime sponsor.