

SENATE BILL REPORT

SHB 2567

As Reported by Senate Committee On:
Financial Institutions, Housing & Insurance, February 27, 2014

Title: An act relating to the approval of minutes from annual meetings of homeowners' associations.

Brief Description: Concerning the approval of minutes from meetings of homeowners' associations.

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Zeiger, Morrell, Rodne and Jinkins).

Brief History: Passed House: 2/17/14, 97-0.

Committee Activity: Financial Institutions, Housing & Insurance: 2/25/14, 2/27/14 [DP].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Majority Report: Do pass.

Signed by Senators Angel, Co-Chair; Benton, Vice Co-Chair; Mullet, Vice Co-Chair; Hatfield, Nelson and Roach.

Staff: Alison Mendiola (786-7483)

Background: A homeowners' association (HOA) is an organization consisting of the homeowners and property owners within a residential development. HOAs are usually created by a land developer or builder of a planned residential development pursuant to a declaration of covenants, conditions, and restrictions. The duties and powers of an HOA are defined by the Homeowners' Association Act (HOAA), the HOA's declaration and other governing documents, and the law governing the HOA's legal entity, e.g., nonprofit corporation law.

The HOAA requires that an annual meeting must be held each year, and special meetings may be called.

Summary of Bill: An HOA must make meeting minutes available to owners of record for examination and copying not more than 60 days after a meeting. Minutes of the previous HOA meeting must be approved at the next meeting in accordance with the HOA's governing documents.

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: HOAs are required by statute to meet annually. Unfortunately, there are some associations that do meet but do not provide minutes until the next meeting and at that point, issues are no longer fresh in someone's memory. This bill requires that minutes are available within 60 days of the meeting, although they do not have to be approved until the next annual meeting.

Persons Testifying: PRO: Representative Zeiger, prime sponsor.