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HOUSE BILL 2240

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State of Washington                      63rd Legislature                      2014 Regular Session

By Representatives Johnson, Ross, DeBolt, and Warnick

Read first time 01/15/14. Referred to Committee on Judiciary.

1            AN ACT Relating to reserve studies for certain unit owners'  
2 associations; and amending RCW 64.34.380.

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

4            **Sec. 1.** RCW 64.34.380 and 2011 c 189 s 3 are each amended to read  
5 as follows:

6            (1) An association is encouraged to establish a reserve account  
7 with a financial institution to fund major maintenance, repair, and  
8 replacement of common elements, including limited common elements that  
9 will require major maintenance, repair, or replacement within thirty  
10 years. If the association establishes a reserve account, the account  
11 must be in the name of the association. The board of directors is  
12 responsible for administering the reserve account.

13            (2) Unless doing so would impose an unreasonable hardship, an  
14 association with significant assets shall prepare and update a reserve  
15 study, in accordance with the association's governing documents and RCW  
16 64.34.224(1). The initial reserve study must be based upon a visual  
17 site inspection conducted by a reserve study professional.

18            (3) Unless doing so would impose an unreasonable hardship, the  
19 association shall update the reserve study annually. At least every

1 three years, an updated reserve study must be prepared and based upon  
2 a visual site inspection conducted by a reserve study professional.  
3 After an association has had one reserve study conducted by a reserve  
4 study professional, the association is exempt from the requirements of  
5 this subsection if: (a) The association has fewer than fifty units;  
6 (b) the units in the association are limited to residents fifty-five  
7 years of age or older; and (c) all units in the association are owner-  
8 occupied.

9 (4) This section and RCW 64.34.382 through 64.34.392 apply to  
10 condominiums governed by chapter 64.32 RCW or this chapter and intended  
11 in whole or in part for residential purposes. These sections do not  
12 apply to condominiums consisting solely of units that are restricted in  
13 the declaration to nonresidential use. An association's governing  
14 documents may contain stricter requirements.

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