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**SUBSTITUTE HOUSE BILL 2567**

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**State of Washington                      63rd Legislature                      2014 Regular Session**

**By** House Judiciary (originally sponsored by Representatives Zeiger, Morrell, Rodne, and Jinkins)

READ FIRST TIME 02/05/14.

1            AN ACT Relating to the approval of minutes from annual meetings of  
2 homeowners' associations; and amending RCW 64.38.035.

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

4            **Sec. 1.** RCW 64.38.035 and 2013 c 108 s 1 are each amended to read  
5 as follows:

6            (1) A meeting of the association must be held at least once each  
7 year. Special meetings of the association may be called by the  
8 president, a majority of the board of directors, or by owners having  
9 ten percent of the votes in the association. The association must make  
10 available to each owner of record for examination and copying minutes  
11 from the previous association meeting not more than sixty days after  
12 the meeting. Minutes of the previous association meeting must be  
13 approved at the next association meeting in accordance with the  
14 association's governing documents.

15            (2) Not less than fourteen nor more than sixty days in advance of  
16 any meeting of the association, the secretary or other officers  
17 specified in the bylaws shall provide written notice to each owner of  
18 record by:

1 (a) Hand-delivery to the mailing address of the owner or other  
2 address designated in writing by the owner;

3 (b) Prepaid first-class United States mail to the mailing address  
4 of the owner or to any other mailing address designated in writing by  
5 the owner; or

6 (c) Electronic transmission to an address, location, or system  
7 designated in writing by the owner. Notice to owners by an electronic  
8 transmission complies with this section only with respect to those  
9 owners who have delivered to the secretary or other officers specified  
10 in the bylaws a written record consenting to receive electronically  
11 transmitted notices. An owner who has consented to receipt of  
12 electronically transmitted notices may revoke the consent at any time  
13 by delivering a written record of the revocation to the secretary or  
14 other officer specified in the bylaws. Consent is deemed revoked if  
15 the secretary or other officer specified in the bylaws is unable to  
16 electronically transmit two consecutive notices given in accordance  
17 with the consent.

18 (3) The notice of any meeting shall state the time and place of the  
19 meeting and the business to be placed on the agenda by the board of  
20 directors for a vote by the owners, including the general nature of any  
21 proposed amendment to the articles of incorporation, bylaws, any budget  
22 or changes in the previously approved budget that result in a change in  
23 assessment obligation, and any proposal to remove a director.

24 (4) Except as provided in this subsection, all meetings of the  
25 board of directors shall be open for observation by all owners of  
26 record and their authorized agents. The board of directors shall keep  
27 minutes of all actions taken by the board, which shall be available to  
28 all owners. Upon the affirmative vote in open meeting to assemble in  
29 closed session, the board of directors may convene in closed executive  
30 session to consider personnel matters; consult with legal counsel or  
31 consider communications with legal counsel; and discuss likely or  
32 pending litigation, matters involving possible violations of the  
33 governing documents of the association, and matters involving the  
34 possible liability of an owner to the association. The motion shall  
35 state specifically the purpose for the closed session. Reference to  
36 the motion and the stated purpose for the closed session shall be  
37 included in the minutes. The board of directors shall restrict the  
38 consideration of matters during the closed portions of meetings only to

1 those purposes specifically exempted and stated in the motion. No  
2 motion, or other action adopted, passed, or agreed to in closed session  
3 may become effective unless the board of directors, following the  
4 closed session, reconvenes in open meeting and votes in the open  
5 meeting on such motion, or other action which is reasonably identified.  
6 The requirements of this subsection shall not require the disclosure of  
7 information in violation of law or which is otherwise exempt from  
8 disclosure.

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