
SENATE BILL 5860

State of Washington

64th Legislature

2015 Regular Session

By Senator Pearson

Read first time 02/06/15. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to homeowners' association financial statements;
2 and amending RCW 64.38.045.

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

4 **Sec. 1.** RCW 64.38.045 and 1995 c 283 s 9 are each amended to
5 read as follows:

6 (1) The association or its managing agent shall keep financial
7 and other records sufficiently detailed to enable the association to
8 fully declare to each owner the true statement of its financial
9 status. All financial and other records of the association, including
10 but not limited to checks, bank records, and invoices, in whatever
11 form they are kept, are the property of the association. Each
12 association managing agent shall turn over all original books and
13 records to the association immediately upon termination of the
14 management relationship with the association, or upon such other
15 demand as is made by the board of directors. An association managing
16 agent is entitled to keep copies of association records. All records
17 which the managing agent has turned over to the association shall be
18 made reasonably available for the examination and copying by the
19 managing agent.

20 (2) All records of the association, including the names and
21 addresses of owners and other occupants of the lots, shall be

1 available for examination by all owners, holders of mortgages on the
2 lots, and their respective authorized agents on reasonable advance
3 notice during normal working hours at the offices of the association
4 or its managing agent. The association shall not release the unlisted
5 telephone number of any owner. The association may impose and collect
6 a reasonable charge for copies and any reasonable costs incurred by
7 the association in providing access to records.

8 (3) At least annually, the association shall prepare, or cause to
9 be prepared, a financial statement of the association. The financial
10 statements of associations with annual assessments of (~~fifty~~) one
11 hundred thousand dollars or more shall be audited at least annually
12 by an independent certified public accountant, but the audit may be
13 waived if sixty-seven percent of the votes cast by owners, in person
14 or by proxy, at a meeting of the association at which a quorum is
15 present, vote each year to waive the audit.

16 (4) The funds of the association shall be kept in accounts in the
17 name of the association and shall not be commingled with the funds of
18 any other association, nor with the funds of any manager of the
19 association or any other person responsible for the custody of such
20 funds.

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