SUBSTITUTE SENATE BILL 6001

State of Washington 65th Legislature 2018 Regular Session

By Senate Law & Justice (originally sponsored by Senators Keiser and Kuderer)

READ FIRST TIME 02/02/18.

- 1 AN ACT Relating to amendments to bylaws of a condominium
- 2 association; and amending RCW 64.34.324 and 64.34.010.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 64.34.324 and 2004 c 201 s 3 are each amended to 5 read as follows:
- 6 (1) Unless provided for in the declaration, the bylaws of the 7 association shall provide for:
- 8 (a) The number, qualifications, powers and duties, terms of 9 office, and manner of electing and removing the board of directors 10 and officers and filling vacancies;
- 11 (b) Election by the board of directors of such officers of the 12 association as the bylaws specify;
- 13 (c) Which, if any, of its powers the board of directors or 14 officers may delegate to other persons or to a managing agent;
- 15 (d) Which of its officers may prepare, execute, certify, and record amendments to the declaration on behalf of the association;
- 17 (e) <u>Subject to subsection (4) of this section</u>, the method of 18 amending the bylaws; and
- 19 (f) A statement of the standard of care for officers and members 20 of the board of directors imposed by RCW 64.34.308(1).

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- 1 (2) Subject to the provisions of the declaration, the bylaws may 2 provide for any other matters the association deems necessary and 3 appropriate.
- (3) In determining the qualifications of any officer or director 4 the association, notwithstanding the provision of 5 of 6 64.34.020(((32))) the term "unit owner" in such context shall, 7 unless the declaration or bylaws otherwise provide, be deemed to include any director, officer, partner in, or trustee of any person, 8 who is, either alone or in conjunction with another person or 9 persons, a unit owner. Any officer or director of the association who 10 would not be eligible to serve as such if he or she were not a 11 12 director, officer, partner in, or trustee of such a person shall be disqualified from continuing in office if he or she ceases to have 13 any such affiliation with that person, or if that person would have 14 been disqualified from continuing in such office as a natural person. 15
 - (4) If the affirmative vote of a minimum percentage of total votes allocated to units or unit owners is required to amend the bylaws, the bylaws may be amended by applying the minimum percentage of affirmative votes to the number of votes received rather than the total number of votes allocated if:

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- 21 <u>(a) The proposed amendment does not address the method of</u>
 22 <u>amending the bylaws as provided in subsection (1)(e) of this section;</u>
 23 and
- 24 <u>(b) Unit owners are provided with at least three advance notices,</u>
 25 <u>sent by certified United States mail at least ten days apart, and</u>
 26 <u>which include:</u>
 - (i) The text of each proposed amendment to be voted on;
- 28 <u>(ii) The method by which the unit owner can vote on the proposed</u>
 29 <u>amendment, either by attendance at a properly convened meeting or</u>
 30 <u>other voting process permitted by the governing documents; and</u>
- (iii) A statement that the minimum percentage of votes needed for passage of the amendment will be applied to the number of votes returned and the failure to vote is neither a vote in favor or against the proposed amendment.
- 35 **Sec. 2.** RCW 64.34.010 and 2011 c 189 s 6 are each amended to 36 read as follows:
- 37 (1) This chapter applies to all condominiums created within this 38 state after July 1, 1990. RCW 64.34.040 (separate titles and 39 taxation), RCW 64.34.050 (applicability of local ordinances,

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- regulations, and building codes), RCW 64.34.060 (condemnation), RCW 1 64.34.208 (construction and validity of declaration and bylaws), RCW 2 64.34.268 (1) through (7) and (10) (termination of condominium), RCW 3 64.34.212 (description of units), RCW 64.34.304(1) (a) through (f) 4 and (k) through (t) (powers of unit owners' association), RCW 5 64.34.308(1) (board of directors and officers), RCW 64.34.324(4) 6 7 (amendments to bylaws), RCW 64.34.340 (voting—proxies), RCW 64.34.344 (tort and contract liability), RCW 64.34.354 (notification on sale of 8 unit), RCW 64.34.360(3) (common expenses—assessments), RCW 64.34.364 9 (lien for assessments), RCW 64.34.372 (association records), RCW 10 64.34.425 (resales of units), RCW 64.34.455 (effect of violation on 11 12 rights of action; attorney's fees), RCW 64.34.380 through 64.34.392 13 (reserve studies and accounts), and RCW 64.34.020 (definitions) to 14 the extent necessary in construing any of those sections, apply to all condominiums created in this state before July 1, 1990; but those 15 apply only with respect to events and circumstances 16 occurring after July 1, 1990, and do not invalidate or supersede 17 18 existing, inconsistent provisions of the declaration, bylaws, 19 survey maps or plans of those condominiums.
 - (2) The provisions of chapter 64.32 RCW do not apply to condominiums created after July 1, 1990, and do not invalidate any amendment to the declaration, bylaws, and survey maps and plans of any condominium created before July 1, 1990, if the amendment would be permitted by this chapter. The amendment must be adopted in conformity with the procedures and requirements specified by those instruments and by chapter 64.32 RCW. If the amendment grants to any person any rights, powers, or privileges permitted by this chapter which are not otherwise provided for in the declaration or chapter 64.32 RCW, all correlative obligations, liabilities, and restrictions in this chapter also apply to that person.

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- 31 (3) This chapter does not apply to condominiums or units located 32 outside this state.
- (4) RCW 64.34.400 (applicability—waiver), RCW 33 34 (liability for public offering statement requirements), RCW 64.34.410 (public offering statement—general provisions), RCW 64.34.415 (public 35 statement—conversion condominiums), RCW 36 offering 37 (purchaser's right to cancel), RCW 64.34.430 (escrow of deposits), 38 64.34.440 (conversion condominiums—notice—tenants-relocation 39 assistance), and RCW 64.34.455 (effect of violations on rights of

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- action—attorney's fees) apply with respect to all sales of units pursuant to purchase agreements entered into after July 1, 1990, in condominiums created before July 1, 1990, in which as of July 1,
- 5 right to create at least ten units constituting at least twenty

6 percent of the units in the condominium.

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1990, the declarant or an affiliate of the declarant owns or had the

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