## SENATE BILL 6001

State of Washington 65th Legislature 2018 Regular Session

By Senators Keiser and Kuderer

Prefiled 12/05/17. Read first time 01/08/18. Referred to Committee on Law & Justice.

- 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 16 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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(2) Subject to the provisions of the declaration, the bylaws may provide for any other matters the association deems necessary and appropriate.

- (3) In determining the qualifications of any officer or director of the association, notwithstanding the provision of RCW 64.34.020(((32+))) (42) the term "unit owner" in such context shall, unless the declaration or bylaws otherwise provide, be deemed to include any director, officer, partner in, or trustee of any person, who is, either alone or in conjunction with another person or persons, a unit owner. Any officer or director of the association who would not be eligible to serve as such if he or she were not a director, officer, partner in, or trustee of such a person shall be disqualified from continuing in office if he or she ceases to have any such affiliation with that person, or if that person would have been disqualified from continuing in such office as a natural person.
- (4) If the affirmative vote of a minimum percentage of votes allocated to units or unit owners is required to amend the bylaws to address any of the matters listed in subsection (1)(a) through (d) of this section, the number of votes needed for passage may be determined by subtracting the votes allocated to units or unit owners with unreturned ballots from the total votes in the association and applying the minimum percentage to the resulting number if:
- (a) The proposed amendment to the bylaws is voted upon at a properly convened meeting of the association or in accordance with any other voting process permitted by the governing documents and notice of the meeting or other voting process is accompanied by the text of each proposed amendment to be voted upon; and
- (b) Any unit owner who fails to vote on the proposed amendment is subsequently provided with at least three notices, sent by United States mail at least ten days apart, with an opportunity to vote by mail or, if authorized by the declaration or bylaws, electronic transmission. Such notices must include the text of each proposed amendment to be voted upon, a ballot for the purpose of casting the unit owner's vote, the time and date by which the ballot must be delivered to the association, and a statement that a unit owner's failure to return a ballot will result in the unit owner's vote being disregarded in determining the percentage of votes required to approve the amendment.

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- 1 Sec. 2. RCW 64.34.010 and 2011 c 189 s 6 are each amended to 2 read as follows:
- (1) This chapter applies to all condominiums created within this 3 state after July 1, 1990. RCW 64.34.040 (separate titles 4 taxation), RCW 64.34.050 (applicability of local 5 6 regulations, and building codes), RCW 64.34.060 (condemnation), RCW 7 64.34.208 (construction and validity of declaration and bylaws), RCW 64.34.268 (1) through (7) and (10) (termination of condominium), RCW 8 64.34.212 (description of units), RCW 64.34.304(1) (a) through (f) 9 (k) through (t) (powers of unit owners' association), RCW 10 11 64.34.308(1) (board of directors and officers), RCW 64.34.324(4) 12 (amendments to bylaws), RCW 64.34.340 (voting—proxies), RCW 64.34.344 13 (tort and contract liability), RCW 64.34.354 (notification on sale of 14 unit), RCW 64.34.360(3) (common expenses—assessments), RCW 64.34.364 (lien for assessments), RCW 64.34.372 (association records), RCW 15 64.34.425 (resales of units), RCW 64.34.455 (effect of violation on 16 rights of action; attorney's fees), RCW 64.34.380 through 64.34.392 17 (reserve studies and accounts), and RCW 64.34.020 (definitions) to 18 19 the extent necessary in construing any of those sections, apply to all condominiums created in this state before July 1, 1990; but those 20 21 apply only with respect to events and circumstances occurring after July 1, 1990, and do not invalidate or supersede 22 23 existing, inconsistent provisions of the declaration, bylaws, or 24 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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- 36 (3) This chapter does not apply to condominiums or units located 37 outside this state.
- 38 (4) RCW 64.34.400 (applicability—waiver), RCW 64.34.405 39 (liability for public offering statement requirements), RCW 64.34.410

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(public offering statement—general provisions), RCW 64.34.415 (public 1 statement—conversion condominiums), RCW 64.34.420 2 (purchaser's right to cancel), RCW 64.34.430 (escrow of deposits), 3 4 RCW 64.34.440 (conversion condominiums—notice—tenants-relocation assistance), and RCW 64.34.455 (effect of violations on rights of 5 action—attorney's fees) apply with respect to all sales of units 6 pursuant to purchase agreements entered into after July 1, 1990, in 7 condominiums created before July 1, 1990, in which as of July 1, 8 1990, the declarant or an affiliate of the declarant owns or had the 9 right to create at least ten units constituting at least twenty 10 11 percent of the units in the condominium.

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