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**SUBSTITUTE SENATE BILL 5168**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senate Law & Justice (originally sponsored by Senators Hasegawa and Saldaña)

READ FIRST TIME 02/01/19.

1 AN ACT Relating to providing notice before certain enforcement  
2 actions taken by a homeowners' or condominium association; and  
3 amending RCW 64.38.020 and 64.34.304.

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

5 **Sec. 1.** RCW 64.38.020 and 1995 c 283 s 4 are each amended to  
6 read as follows:

7 Unless otherwise provided in the governing documents, an  
8 association may:

9 (1) Adopt and amend bylaws, rules, and regulations;

10 (2) Adopt and amend budgets for revenues, expenditures, and  
11 reserves, and impose and collect assessments for common expenses from  
12 owners;

13 (3) Hire and discharge or contract with managing agents and other  
14 employees, agents, and independent contractors;

15 (4) Institute, defend, or intervene in litigation or  
16 administrative proceedings in its own name on behalf of itself or two  
17 or more owners on matters affecting the homeowners' association, but  
18 not on behalf of owners involved in disputes that are not the  
19 responsibility of the association;

20 (5) Make contracts and incur liabilities;

1 (6) Regulate the use, maintenance, repair, replacement, and  
2 modification of common areas;

3 (7) Cause additional improvements to be made as a part of the  
4 common areas;

5 (8) Acquire, hold, encumber, and convey in its own name any  
6 right, title, or interest to real or personal property;

7 (9) Grant easements, leases, licenses, and concessions through or  
8 over the common areas and petition for or consent to the vacation of  
9 streets and alleys;

10 (10) Impose and collect any payments, fees, or charges for the  
11 use, rental, or operation of the common areas;

12 (11) Impose and collect charges for late payments of assessments  
13 and, after reasonable notice (~~and an~~) for a fair opportunity to be  
14 heard by the board of directors or by the representative designated  
15 by the board of directors and in accordance with the procedures as  
16 provided in the bylaws or rules and regulations adopted by the board  
17 of directors, levy reasonable fines in accordance with a previously  
18 established schedule adopted by the board of directors and furnished  
19 to the owners for violation of the bylaws, rules, and regulations of  
20 the association;

21 (12) Exercise any other powers conferred by the bylaws;

22 (13) Exercise all other powers that may be exercised in this  
23 state by the same type of corporation as the association; and

24 (14) Exercise any other powers necessary and proper for the  
25 governance and operation of the association.

26 **Sec. 2.** RCW 64.34.304 and 2008 c 115 s 9 are each amended to  
27 read as follows:

28 (1) Except as provided in subsection (2) of this section, and  
29 subject to the provisions of the declaration, the association may:

30 (a) Adopt and amend bylaws, rules, and regulations;

31 (b) Adopt and amend budgets for revenues, expenditures, and  
32 reserves, and impose and collect assessments for common expenses from  
33 unit owners;

34 (c) Hire and discharge or contract with managing agents and other  
35 employees, agents, and independent contractors;

36 (d) Institute, defend, or intervene in litigation or  
37 administrative proceedings in its own name on behalf of itself or two  
38 or more unit owners on matters affecting the condominium;

39 (e) Make contracts and incur liabilities;

- 1 (f) Regulate the use, maintenance, repair, replacement, and  
2 modification of common elements;
- 3 (g) Cause additional improvements to be made as a part of the  
4 common elements;
- 5 (h) Acquire, hold, encumber, and convey in its own name any  
6 right, title, or interest to real or personal property, but common  
7 elements may be conveyed or subjected to a security interest only  
8 pursuant to RCW 64.34.348;
- 9 (i) Grant easements, leases, licenses, and concessions through or  
10 over the common elements and petition for or consent to the vacation  
11 of streets and alleys;
- 12 (j) Impose and collect any payments, fees, or charges for the  
13 use, rental, or operation of the common elements, other than limited  
14 common elements described in RCW 64.34.204 (2) and (4), and for  
15 services provided to unit owners;
- 16 (k) Impose and collect charges for late payment of assessments  
17 pursuant to RCW 64.34.364(13) and, after reasonable notice (~~and an~~)  
18 for a fair opportunity to be heard by the board of directors or by  
19 such representative designated by the board of directors and in  
20 accordance with such procedures as provided in the declaration or  
21 bylaws or rules and regulations adopted by the board of directors,  
22 levy reasonable fines in accordance with a previously established  
23 schedule thereof adopted by the board of directors and furnished to  
24 the owners for violations of the declaration, bylaws, and rules and  
25 regulations of the association;
- 26 (l) Impose and collect reasonable charges for the preparation and  
27 recording of amendments to the declaration, resale certificates  
28 required by RCW 64.34.425, and statements of unpaid assessments;
- 29 (m) Provide for the indemnification of its officers and board of  
30 directors and maintain directors' and officers' liability insurance;
- 31 (n) Assign its right to future income, including the right to  
32 receive common expense assessments, but only to the extent the  
33 declaration provides;
- 34 (o) Join in a petition for the establishment of a parking and  
35 business improvement area, participate in the ratepayers' board or  
36 other advisory body set up by the legislative authority for operation  
37 of a parking and business improvement area, and pay special  
38 assessments levied by the legislative authority on a parking and  
39 business improvement area encompassing the condominium property for

1 activities and projects which benefit the condominium directly or  
2 indirectly;

3 (p) Establish and administer a reserve account as described in  
4 RCW 64.34.380;

5 (q) Prepare a reserve study as described in RCW 64.34.380;

6 (r) Exercise any other powers conferred by the declaration or  
7 bylaws;

8 (s) Exercise all other powers that may be exercised in this state  
9 by the same type of corporation as the association; and

10 (t) Exercise any other powers necessary and proper for the  
11 governance and operation of the association.

12 (2) The declaration may not impose limitations on the power of  
13 the association to deal with the declarant which are more restrictive  
14 than the limitations imposed on the power of the association to deal  
15 with other persons.

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