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**HOUSE BILL 1500**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Representatives Reed, Entenman, Gregerson, Peterson, Fosse, Farivar, Doglio, Alvarado, Hill, Berry, Simmons, Ormsby, and Macri

AN ACT Relating to resale certificates for units in common interest communities; and amending RCW 64.90.640.

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

**Sec.**  RCW 64.90.640 and 2024 c 321 s 329 are each amended to read as follows:

(1) Except in the case of a sale when delivery of a public offering statement is required, or unless exempt under RCW 64.90.600(2), a unit owner must furnish to a purchaser before execution of any contract for sale of a unit, or otherwise before conveyance, a resale certificate, signed by an officer or authorized agent of the association and based on the books and records of the association and the actual knowledge of the person signing the certificate, containing all of the following and the statement "NONE" or "RECORDS UNAVAILABLE" for each category of records that is not provided:

(a) A statement disclosing any right of first refusal or other restraint on the free alienability of the unit contained in the declaration;

(b) With respect to the selling unit owner's unit, a statement setting forth the amount of any assessment currently due, any delinquent assessments, and a statement of any special assessments that have been levied and have not been paid even though not yet due;

(c) A statement, which must be current to within 45 days, of any assessments against any unit in the condominium that are past due over 30 days;

(d) A statement, which must be current to within 45 days, of any monetary obligation of the association that is past due over 30 days;

(e) A statement of any other fees payable to the association by unit owners;

(f) A statement of any expenditure or anticipated repair or replacement cost reasonably anticipated to be in excess of five percent of the board-approved annual budget of the association, regardless of whether the unit owners are entitled to approve such cost;

(g) A statement whether the association does or does not have a reserve study prepared in accordance with RCW 64.90.545 and 64.90.550;

(h) The annual financial statement of the association, including the ((~~audit report if it has been prepared, for the year immediately preceding the current year~~)) most recent final financial audit report available and the current draft of a more recent report if available;

(i) The most recent balance sheet and revenue and expense statement, if any, of the association;

(j) The current operating budget of the association;

(k) A statement of any unsatisfied judgments against the association and the status of any legal actions in which the association is a party or a claimant as defined in RCW 64.50.010;

(l) A statement describing any insurance coverage carried by the association and contact information for the association's insurance broker or agent;

(m) A statement as to whether the board has given or received notice in a record that any existing uses, occupancies, alterations, or improvements in or to the seller's unit or to the limited common elements allocated to the unit violate any provision of the governing documents;

(n) A statement of the number of units, if any, still owned by the declarant, whether the declarant has transferred control of the association to the unit owners, and the date of such transfer;

(o) A statement as to whether the board has received notice in a record from a governmental agency of any violation of environmental, health, or building codes with respect to the seller's unit, the limited common elements allocated to that unit, or any other portion of the common interest community that has not been cured;

(p) A statement of the remaining term of any leasehold estate affecting the common interest community and the provisions governing any extension or renewal of the leasehold estate;

(q) A statement of any restrictions in the declaration affecting the amount that may be received by a unit owner upon sale;

(r) In a cooperative, an accountant's statement, if any was prepared, as to the deductibility for federal income tax purposes by the unit owner of real estate taxes and interest paid by the association;

(s) A statement describing any pending sale or encumbrance of common elements;

(t) A statement disclosing the effect on the unit to be conveyed of any restriction on the right to use or occupy the unit, including a restriction on a lease or other rental of the unit;

(u) A copy of the declaration, the organizational documents, the rules or regulations of the association, all policies, procedures, and resolutions approved by the board that are currently in effect, the minutes of board meetings and association meetings, except for any information exempt from disclosure under RCW 64.90.495(3), for the last 12 months, ((~~a summary of~~)) the most current final reserve study for the association, the most recent draft of a newer reserve study if available, and any other information reasonably requested by mortgagees of prospective purchasers of units. Information requested generally by the federal national mortgage association, the federal home loan bank board, the government national mortgage association, the veterans administration, or the department of housing and urban development is deemed reasonable if the information is reasonably available to the association;

(v) A statement whether the units or common elements of the common interest community are covered by a qualified warranty under chapter 64.35 RCW and, if so, a history of claims known to the association as having been made under any such warranty;

(w) A description of any age-related occupancy restrictions affecting the common interest community;

(x) A statement describing any requirements related to electric vehicle charging stations located in the unit or the limited common elements allocated to the unit, including application status, insurance information, maintenance responsibilities, and any associated costs;

(y) If the association does not have a reserve study that has been prepared in accordance with RCW 64.90.545 and 64.90.550 or its governing documents, the following disclosure:

"This association does not have a current reserve study. The lack of a current reserve study poses certain risks to you, the purchaser. Insufficient reserves may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a common element."; and

(z) The resale certificate must include a notice in substantially the following form and in conspicuous type:

"THIS UNIT IS LOCATED WITHIN A COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION, BYLAWS, RULES, AND OTHER WRITTEN INSTRUMENTS GRANTING AUTHORITY TO THE ASSOCIATION AS ADOPTED (THE "GOVERNING DOCUMENTS").

THE PURCHASER OF THIS UNIT WILL BE REQUIRED TO BE A MEMBER OF THE ASSOCIATION AND WILL BE SUBJECT TO THE GOVERNING DOCUMENTS.

THE GOVERNING DOCUMENTS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE UNIT, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS TO THE ASSOCIATION WHICH MAY INCLUDE REGULAR AND SPECIAL ASSESSMENTS, FINES, FEES, INTEREST, LATE CHARGES, AND COSTS OF COLLECTION, INCLUDING REASONABLE ATTORNEYS' FEES.

THE ASSOCIATION HAS A STATUTORY LIEN ON EACH INDIVIDUAL UNIT FOR ANY UNPAID ASSESSMENT FROM THE TIME IT IS DUE. FAILURE TO PAY ASSESSMENTS COULD RESULT IN THE FILING OF A LIEN ON THE UNIT AND LOSS OF THE UNIT THROUGH FORECLOSURE.

THE GOVERNING DOCUMENTS MAY PROHIBIT OWNERS FROM MAKING CHANGES TO THE UNIT WITHOUT REVIEW AND THE APPROVAL OF THE ASSOCIATION, AND MAY ALSO IMPOSE RESTRICTIONS ON THE USE OF ((~~[THE]~~)) THE UNIT, DISPLAY OF SIGNS, CERTAIN BEHAVIORS, AND OTHER ITEMS.

PURCHASERS OF THIS UNIT SHOULD CAREFULLY REVIEW THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION, THE CURRENT STATE OF THE ASSOCIATION'S FINANCES, THE CURRENT RESERVE STUDY, IF ANY, THE GOVERNING DOCUMENTS, AND THE OTHER INFORMATION AVAILABLE IN THE RESALE CERTIFICATE. THE GOVERNING DOCUMENTS CONTAIN IMPORTANT INFORMATION AND CREATE BINDING LEGAL OBLIGATIONS. YOU SHOULD CONSIDER SEEKING THE ASSISTANCE OF LEGAL COUNSEL."

(2)(a) The association, within 10 days after a request by a unit owner, and subject to the payment of any fees imposed pursuant to RCW 64.90.405(2)(m), must furnish a resale certificate signed by an officer or authorized agent of the association and containing the information necessary to enable the unit owner to comply with this section.

(b) For the purposes of this chapter, a reasonable charge to the owner for the preparation of a resale certificate may not exceed $275, covering the direct out-of-pocket cost of copying and providing such information, and may not include any additional charges for providing documents that are maintained in electronic form on a website, web portal, or application available to unit owners. However, an association may charge an additional $100 for a rush service that must be completed within 72 hours of submission of a resale certificate request. The association may also charge a unit owner a nominal fee not to exceed $100 for updating a resale certificate within six months of the unit owner's previous resale certificate request.

(c) An association may not require a unit owner to contract with or establish an account with a third party in order to provide payment for or accept delivery of a resale certificate required to be furnished under (a) of this subsection.

(d) Fees for copying and providing documents required by this section must be distinguished from, separately stated from, and separately billed from, all other fees, fines, or assessments.

(e) A unit owner is not liable to the purchaser for any erroneous information provided by the association and included in the certificate.

(3) A unit owner possessing current copies in electronic form of any documents specified by this section must provide them to a purchaser via electronic transmission at no cost.

(4)(a) A purchaser is not liable for any of the following:

(i) Any unpaid assessment or fee greater than the amount set forth in the certificate prepared by the association; and

(ii) Any violation of the governing documents created by any alteration to a unit that, in the exercise of reasonable diligence, should have been known to the association or its authorized agent at the time of conveyance, but was not identified in the resale certificate.

(b) ((~~A unit owner is not liable to a purchaser for the failure or delay of the association to provide the certificate in a timely manner, but the purchase contract is voidable by the purchaser until the certificate has been provided and for five days thereafter or until conveyance, whichever occurs first.~~)) The purchaser may cancel a contract for the purchase of the unit within five days after first receiving the resale certificate. If the resale certificate is first provided to a purchaser more than five days before execution of a contract for the purchase of a unit, the purchaser does not have the right under this section to cancel the executed contract. If the resale certificate is first provided to a purchaser five days or less before the purchaser signs a contract for the purchase of a unit, the purchaser, before conveyance of the unit to the purchaser, may cancel the contract by delivering, no later than the fifth day after first receiving the resale certificate, a notice of cancellation to the seller. If the resale certificate is first provided to a purchaser less than five days before the closing date for the conveyance of that unit, the purchaser may, before conveyance of the unit to the purchaser, extend the closing date to a date not more than five days after the purchaser first received the resale certificate.

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