H-5273.1

SUBSTITUTE HOUSE BILL 3071

State of Washington 60th Legislature 2008 Regular Session

By House Housing (originally sponsored by Representatives Goodman, Rodne, and Williams)

READ FIRST TIME 02/04/08.

- 1 AN ACT Relating to harmonizing statutes dealing with the
- 2 termination of condominiums; and amending RCW 64.34.010, 64.32.150, and
- 3 64.32.010.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 64.34.010 and 1993 c 429 s 12 are each amended to read 6 as follows:
- 7 (1) This chapter applies to all condominiums created within this
- 8 state after July 1, 1990. RCW 64.34.040 (separate titles and
- 9 taxation), RCW 64.34.050 (applicability of local ordinances,
- 10 regulations, and building codes), RCW 64.34.060 (condemnation), RCW
- 11 64.34.208 (construction and validity of declaration and bylaws), RCW
- 12 <u>64.34.268 (1) through (7) and (10) (termination of condominium), RCW</u>
- 64.34.212 (description of units), RCW 64.34.304(1)(a) through (f) and
- 14 (k) through (r) (powers of unit owners' association), RCW 64.34.308(1)
- 15 (board of directors and officers), RCW 64.34.340 (voting-proxies), RCW
- 16 64.34.344 (tort and contract liability), RCW 64.34.354 (notification on
- 17 sale of unit), RCW 64.34.360(3) (common expenses—assessments), RCW
- 18 64.34.364 (lien for assessments), RCW 64.34.372 (association records),
- 19 RCW 64.34.425 (resales of units), RCW 64.34.455 (effect of violation on

p. 1 SHB 3071

rights of action; attorney's fees), and RCW 64.34.020 (definitions) to the extent necessary in construing any of those sections, apply to all condominiums created in this state before July 1, 1990; but those sections apply only with respect to events and circumstances occurring after July 1, 1990, and do not invalidate or supersede existing, inconsistent provisions of the declaration, bylaws, or 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.
- (3) This chapter does not apply to condominiums or units located outside this state.
- (4) RCW 64.34.400 (applicability—waiver), RCW 64.34.405 (liability for public offering statement requirements), RCW 64.34.410 (public offering statement—general provisions), RCW 64.34.415 (public offering statement—conversion condominiums), RCW 64.34.420 (purchaser's right to cancel), RCW 64.34.430 (escrow of deposits), RCW 64.34.440 (conversion condominiums—notice—tenants), and RCW 64.34.455 (effect of violations on rights of 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, 1990, the declarant or an affiliate of the declarant owns or had the right to create at least ten units constituting at least twenty percent of the units in the condominium.
- **Sec. 2.** RCW 64.32.150 and 1963 c 156 s 15 are each amended to read as follows:
- 35 (1) All of the apartment owners may remove a property from the 36 provisions of this chapter by an instrument to that effect duly 37 recorded: PROVIDED, That the mortgagees and holders of all liens

SHB 3071 p. 2

affecting any of the apartments consent thereto or agree, in either case by instrument duly recorded, that their mortgages and liens be transferred to the percentage of the undivided interest of the apartment owner in the property as hereinafter provided;

1

3

4 5

6 7

8

9

10

18 19

20

21

2223

24

2526

27

28

29

3031

32

3334

35

36

37

- (2) Upon removal of the property from the provisions of this chapter, the property shall be deemed to be owned in common by the apartment owners. The undivided interest in the property owned in common which shall appertain to each apartment owner shall be the percentage of the undivided interest previously owned by such owners in the common areas and facilities.
- 11 (3) Subject to RCW 64.34.010 (1) and (2) and the rights of
 12 mortgagees and the holders of all liens affecting any of the
 13 apartments, the apartment owners may remove a property from the
 14 provisions of this chapter and terminate the condominium in the manner
 15 set forth in RCW 64.34.268 (1) through (7) and (10), in which event all
 16 of the provisions of RCW 64.34.268 (1) through (7) and (10) shall apply
 17 to such removal in lieu of subsections (1) and (2) of this section.
 - **Sec. 3.** RCW 64.32.010 and 1987 c 383 s 1 are each amended to read as follows:

As used in this chapter unless the context otherwise requires:

(1) "Apartment" means a part of the property intended for any type of independent use, including one or more rooms or spaces located on one or more floors (or part or parts thereof) in a building, or if not in a building, a separately delineated place of storage or moorage of a boat, plane, or motor vehicle, regardless of whether it is destined for a residence, an office, storage or moorage of a boat, plane, or motor vehicle, the operation of any industry or business, or for any other use not prohibited by law, and which has a direct exit to a public street or highway, or to a common area leading to such street or The boundaries of an apartment located in a building are the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof, and the apartment includes both the portions of the building so described and the air space so encompassed. apartment is a separately delineated place of storage or moorage of a boat, plane, or motor vehicle the boundaries are those specified in the declaration. In interpreting declarations, deeds, and plans, the existing physical boundaries of the apartment as originally constructed

p. 3 SHB 3071

or as reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed or depicted in the declaration, deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown in the declaration, deed, or plan and those of apartments in the building.

1 2

3 4

5

6 7

8

10 11

12

13

14

15 16

17

18

19 20

2122

23

2425

26

- (2) "Apartment owner" means the person or persons owning an apartment, as herein defined, in fee simple absolute or qualified, by way of leasehold or by way of a periodic estate, or in any other manner in which real property may be owned, leased or possessed in this state, together with an undivided interest in a like estate of the common areas and facilities in the percentage specified and established in the declaration as duly recorded or as it may be lawfully amended.
- (3) "Apartment number" means the number, letter, or combination thereof, designating the apartment in the declaration as duly recorded or as it may be lawfully amended.
- (4) "Association of apartment owners" means all of the apartment owners acting as a group in accordance with the bylaws and with the declaration as it is duly recorded or as they may be lawfully amended.
- (5) "Building" means a building, containing two or more apartments, or two or more buildings each containing one or more apartments, and comprising a part of the property.
- (6) "Common areas and facilities", unless otherwise provided in the declaration as duly recorded or as it may be lawfully amended, includes:
 - (a) The land on which the building is located;
- (b) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbys, stairs, stairways, fire escapes, and entrances and exits of the building;
- 30 (c) The basements, yards, gardens, parking areas and storage 31 spaces;
- (d) The premises for the lodging of janitors or persons in charge of the property;
- (e) The installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;
- 37 (f) The elevators, tanks, pumps, motors, fans, compressors, ducts 38 and in general all apparatus and installations existing for common use;

SHB 3071 p. 4

- 1 (g) Such community and commercial facilities as may be provided for 2 in the declaration as duly recorded or as it may be lawfully amended;
 - (h) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.
 - (7) "Common expenses" include:

- 6 (a) All sums lawfully assessed against the apartment owners by the 7 association of apartment owners;
 - (b) Expenses of administration, maintenance, repair, or replacement of the common areas and facilities;
 - (c) Expenses agreed upon as common expenses by the association of apartment owners;
 - (d) Expenses declared common expenses by the provisions of this chapter, or by the declaration as it is duly recorded, or by the bylaws, or as they may be lawfully amended.
 - (8) "Common profits" means the balance of all income, rents, profits and revenues from the common areas and facilities remaining after the deduction of the common expenses.
 - (9) "Declaration" means the instrument by which the property is submitted to provisions of this chapter, as hereinafter provided, and as it may be, from time to time, lawfully amended.
 - (10) "Land" means the material of the earth, whatever may be the ingredients of which it is composed, whether soil, rock, or other substance, whether or not submerged, and includes free or occupied space for an indefinite distance upwards as well as downwards, subject to limitations upon the use of airspace imposed, and rights in the use of the airspace granted, by the laws of this state or of the United States.
 - (11) "Limited common areas and facilities" includes those common areas and facilities designated in the declaration, as it is duly recorded or as it may be lawfully amended, as reserved for use of certain apartment or apartments to the exclusion of the other apartments.
 - (12) "Majority" or "majority of apartment owners" means the apartment owners with fifty-one percent or more of the votes in accordance with the percentages assigned in the declaration, as duly recorded or as it may be lawfully amended, to the apartments for voting purposes.

p. 5 SHB 3071

1 (13) "Person" includes any individual, corporation, partnership, 2 association, trustee, or other legal entity.

- (14) "Property" means the land, the building, all improvements and structures thereon, all owned in fee simple absolute or qualified, by way of leasehold or by way of a periodic estate, or in any other manner in which real property may be owned, leased or possessed in this state, and all easements, rights and appurtenances belonging thereto, none of which shall be considered as a security or security interest, and all articles of personalty intended for use in connection therewith, which have been or are intended to be submitted to the provisions of this chapter.
- (15) "Percent of the apartment owners" means the apartment owners with the stated percent or more of the votes in accordance with the percentages assigned in the declaration, as duly recorded or as it may be lawfully amended, to the apartments for voting purposes.

--- END ---

SHB 3071 p. 6