HOUSE BILL 3071

State of Washington60th Legislature2008 Regular SessionBy Representatives Goodman, Rodne, and WilliamsRead first time 01/22/08.Referred to Committee on Judiciary.

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 taxation), 64.34.050 (applicability of local 9 RCW ordinances, 10 regulations, and building codes), RCW 64.34.060 (condemnation), RCW 64.34.208 (construction and validity of declaration and bylaws), RCW 11 64.34.268 (1) through (7) and (10) (termination of condominium), RCW 12 64.34.212 (description of units), RCW 64.34.304(1)(a) through (f) and 13 (k) through (r) (powers of unit owners' association), RCW 64.34.308(1) 14 15 (board of directors and officers), RCW 64.34.340 (voting-proxies), RCW 64.34.344 (tort and contract liability), RCW 64.34.354 (notification on 16 sale of unit), RCW 64.34.360(3) (common expenses-assessments), RCW 17 64.34.364 (lien for assessments), RCW 64.34.372 (association records), 18 RCW 64.34.425 (resales of units), RCW 64.34.455 (effect of violation on 19

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.

The provisions of chapter 64.32 RCW do not apply to 8 (2) condominiums created after July 1, 1990, and do not invalidate any 9 amendment to the declaration, bylaws, and survey maps and plans of any 10 condominium created before July 1, 1990, if the amendment would be 11 permitted by this chapter. The amendment must be adopted in conformity 12 13 with the procedures and requirements specified by those instruments and by chapter 64.32 RCW. If the amendment grants to any person any 14 rights, powers, or privileges permitted by this chapter which are not 15 16 otherwise provided for in the declaration or chapter 64.32 RCW, all 17 correlative obligations, liabilities, and restrictions in this chapter 18 also apply to that person.

(3) This chapter does not apply to condominiums or units locatedoutside this state.

21 (4) RCW 64.34.400 (applicability-waiver), RCW 64.34.405 (liability for public offering statement requirements), RCW 64.34.410 (public 22 23 offering statement-general provisions), RCW 64.34.415 (public offering 24 statement-conversion condominiums), RCW 64.34.420 (purchaser's right to 25 cancel), RCW 64.34.430 (escrow of deposits), RCW 64.34.440 (conversion condominiums-notice-tenants), and RCW 64.34.455 (effect of violations 26 27 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, 28 in condominiums created before July 1, 1990, in which as of July 1, 29 1990, the declarant or an affiliate of the declarant owns or had the 30 31 right to create at least ten units constituting at least twenty percent 32 of the units in the condominium.

33 Sec. 2. RCW 64.32.150 and 1963 c 156 s 15 are each amended to read 34 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

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1 affecting any of the apartments consent thereto or agree, in either 2 case by instrument duly recorded, that their mortgages and liens be 3 transferred to the percentage of the undivided interest of the 4 apartment owner in the property as hereinafter provided;

5 (2) Upon removal of the property from the provisions of this 6 chapter, the property shall be deemed to be owned in common by the 7 apartment owners. The undivided interest in the property owned in 8 common which shall appertain to each apartment owner shall be the 9 percentage of the undivided interest previously owned by such owners in 10 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.

18 Sec. 3. RCW 64.32.010 and 1987 c 383 s 1 are each amended to read 19 as follows:

As used in this chapter unless the context otherwise requires:

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21 (1) "Apartment" means a part of the property intended for any type of independent use, including one or more rooms or spaces located on 22 23 one or more floors (or part or parts thereof) in a building, or if not 24 in a building, a separately delineated place of storage or moorage of a boat, plane, or motor vehicle, regardless of whether it is destined 25 26 for a residence, an office, storage or moorage of a boat, plane, or 27 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 28 public street or highway, or to a common area leading to such street or 29 The boundaries of an apartment located in a building are the 30 highway. 31 interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof, and the apartment includes both the portions of the 32 building so described and the air space so encompassed. 33 If the 34 apartment is a separately delineated place of storage or moorage of a 35 boat, plane, or motor vehicle the boundaries are those specified in the 36 declaration. In interpreting declarations, deeds, and plans, the 37 existing physical boundaries of the apartment as originally constructed

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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.

7 (2) "Apartment owner" means the person or persons owning an apartment, as herein defined, in fee simple absolute or qualified, by 9 way of leasehold or by way of a periodic estate, or in any other manner 10 in which real property may be owned, leased or possessed in this state, 11 together with an undivided interest in a like estate of the common 12 areas and facilities in the percentage specified and established in the 13 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:

26 (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;

32 (d) The premises for the lodging of janitors or persons in charge33 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, ducts38 and in general all apparatus and installations existing for common use;

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(g) Such community and commercial facilities as may be provided for
 in the declaration as duly recorded or as it may be lawfully amended;

3 (h) All other parts of the property necessary or convenient to its4 existence, maintenance and safety, or normally in common use.

(7) "Common expenses" include:

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6 (a) All sums lawfully assessed against the apartment owners by the 7 association of apartment owners;

8 (b) Expenses of administration, maintenance, repair, or replacement
9 of the common areas and facilities;

10 (c) Expenses agreed upon as common expenses by the association of 11 apartment owners;

12 (d) Expenses declared common expenses by the provisions of this 13 chapter, or by the declaration as it is duly recorded, or by the 14 bylaws, or as they may be lawfully amended.

15 (8) "Common profits" means the balance of all income, rents, 16 profits and revenues from the common areas and facilities remaining 17 after the deduction of the common expenses.

18 (9) "Declaration" means the instrument by which the property is 19 submitted to provisions of this chapter, as hereinafter provided, and 20 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.

33 (12) "Majority" or "majority of apartment owners" means the 34 apartment owners with fifty-one percent or more of the votes in 35 accordance with the percentages assigned in the declaration, as duly 36 recorded or as it may be lawfully amended, to the apartments for voting 37 purposes.

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

(14) "Property" means the land, the building, all improvements and 3 structures thereon, all owned in fee simple absolute or qualified, by 4 way of leasehold or by way of a periodic estate, or in any other manner 5 in which real property may be owned, leased or possessed in this state, 6 7 and all easements, rights and appurtenances belonging thereto, none of which shall be considered as a security or security interest, and all 8 articles of personalty intended for use in connection therewith, which 9 have been or are intended to be submitted to the provisions of this 10 11 chapter.

12 (15) "Sixty percent of the apartment owners" means the apartment 13 owners with sixty percent or more of the votes in accordance with the percentages assigned in the declaration, as duly recorded or as it may 14 15

be lawfully amended, to the apartments for voting purposes.

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