

SENATE BILL REPORT

SB 6735

As of June 8, 2010

Title: An act relating to condominium association liens.

Brief Description: Concerning condominium association liens.

Sponsors: Senator Tom.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 2/02/10.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Staff: Alison Mendiola (786-7483)

Background: Under the Washington Condominium Act (Act), the association may have a lien on a unit for any unpaid assessments against a unit from the time the assessment is due.

The Act provides a priority to the extent of certain assessments that would have become due during the six months immediately preceding (1) the date of sheriff's sale in judicial foreclosure; or (2) the date of a trustee's sale in a non-judicial foreclosure; or (3) the date or recording the declaration of forfeiture on a real estate contract.

The Act also provides that this priority is reduced to three months for an eligible mortgagee in certain circumstances.

Eligible mortgagee means the holder of a mortgage on a unit that has filed with the secretary of the association a written request that it be given copies of notices of any action by the association that requires the consent of mortgagees.

Summary of Bill: Under the Washington Condominium Act, there is a 12-month lien priority for certain assessments that would have become due during months immediately preceding (1) the recording of a lis pendens in an action for judicial foreclosure; or (2) the date of the trustee's sale in a non-judicial foreclosure; or (3) the date of recording the declaration of forfeiture on a real estate contract.

This lien priority includes assessments made against a unit for any period of time during which the unit owner is default on his or her obligation to the condominium association, the

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association notified the mortgagee of the default, and the mortgagee failed to enforce his or her rights to foreclose on its mortgage.

The lien priority of 12 months is reduced to six months for an eligible mortgagee in certain circumstances.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: None.

Effective Date: Ninety days after adjournment of session in which bill is passed.