

SSB 5011 - H COMM AMD

By Committee on Civil Rights & Judiciary

ADOPTED 04/06/2021

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 64.32.010 and 2008 c 114 s 3 are each amended to
4 read as follows:

5 As used in this chapter unless the context otherwise requires:

6 (1) "Apartment" means a part of the property intended for any
7 type of independent use, including one or more rooms or spaces
8 located on one or more floors (or part or parts thereof) in a
9 building, or if not in a building, a separately delineated place of
10 storage or moorage of a boat, plane, or motor vehicle, regardless of
11 whether it is destined for a residence, an office, storage or moorage
12 of a boat, plane, or motor vehicle, the operation of any industry or
13 business, or for any other use not prohibited by law, and which has a
14 direct exit to a public street or highway, or to a common area
15 leading to such street or highway. The boundaries of an apartment
16 located in a building are the interior surfaces of the perimeter
17 walls, floors, ceilings, windows and doors thereof, and the apartment
18 includes both the portions of the building so described and the air
19 space so encompassed. If the apartment is a separately delineated
20 place of storage or moorage of a boat, plane, or motor vehicle the
21 boundaries are those specified in the declaration. In interpreting
22 declarations, deeds, and plans, the existing physical boundaries of
23 the apartment as originally constructed or as reconstructed in
24 substantial accordance with the original plans thereof shall be
25 conclusively presumed to be its boundaries rather than the metes and
26 bounds expressed or depicted in the declaration, deed or plan,
27 regardless of settling or lateral movement of the building and
28 regardless of minor variance between boundaries shown in the
29 declaration, deed, or plan and those of apartments in the building.

30 (2) "Apartment owner" means the person or persons owning an
31 apartment, as herein defined, in fee simple absolute or qualified, by
32 way of leasehold or by way of a periodic estate, or in any other

1 manner in which real property may be owned, leased or possessed in
2 this state, together with an undivided interest in a like estate of
3 the common areas and facilities in the percentage specified and
4 established in the declaration as duly recorded or as it may be
5 lawfully amended.

6 (3) "Apartment number" means the number, letter, or combination
7 thereof, designating the apartment in the declaration as duly
8 recorded or as it may be lawfully amended.

9 (4) "Association of apartment owners" means all of the apartment
10 owners acting as a group in accordance with the bylaws and with the
11 declaration as it is duly recorded or as they may be lawfully
12 amended.

13 (5) "Building" means a building, containing two or more
14 apartments, or two or more buildings each containing one or more
15 apartments, and comprising a part of the property.

16 (6) "Common areas and facilities", unless otherwise provided in
17 the declaration as duly recorded or as it may be lawfully amended,
18 includes:

19 (a) The land on which the building is located;

20 (b) The foundations, columns, girders, beams, supports, main
21 walls, roofs, halls, corridors, lobbys, stairs, stairways, fire
22 escapes, and entrances and exits of the building;

23 (c) The basements, yards, gardens, parking areas and storage
24 spaces;

25 (d) The premises for the lodging of janitors or persons in charge
26 of the property;

27 (e) The installations of central services such as power, light,
28 gas, hot and cold water, heating, refrigeration, air conditioning and
29 incinerating;

30 (f) The elevators, tanks, pumps, motors, fans, compressors, ducts
31 and in general all apparatus and installations existing for common
32 use;

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

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

38 (7) "Common expenses" include:

39 (a) All sums lawfully assessed against the apartment owners by
40 the association of apartment owners;

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

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

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

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

11 (9) "Declaration" means the instrument by which the property is
12 submitted to provisions of this chapter, as hereinafter provided, and
13 as it may be, from time to time, lawfully amended.

14 (10) "Land" means the material of the earth, whatever may be the
15 ingredients of which it is composed, whether soil, rock, or other
16 substance, whether or not submerged, and includes free or occupied
17 space for an indefinite distance upwards as well as downwards,
18 subject to limitations upon the use of airspace imposed, and rights
19 in the use of the airspace granted, by the laws of this state or of
20 the United States.

21 (11) "Limited common areas and facilities" includes those common
22 areas and facilities designated in the declaration, as it is duly
23 recorded or as it may be lawfully amended, as reserved for use of
24 certain apartment or apartments to the exclusion of the other
25 apartments.

26 (12) "Majority" or "majority of apartment owners" means the
27 apartment owners with fifty-one percent or more of the votes in
28 accordance with the percentages assigned in the declaration, as duly
29 recorded or as it may be lawfully amended, to the apartments for
30 voting purposes.

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

33 (14) "Property" means the land, the building, all improvements
34 and structures thereon, all owned in fee simple absolute or
35 qualified, by way of leasehold or by way of a periodic estate, or in
36 any other manner in which real property may be owned, leased or
37 possessed in this state, and all easements, rights and appurtenances
38 belonging thereto, none of which shall be considered as a security or
39 security interest, and all articles of personalty intended for use in

1 connection therewith, which have been or are intended to be submitted
2 to the provisions of this chapter.

3 (15) "Percent of the apartment owners" means the apartment owners
4 with the stated percent or more of the votes in accordance with the
5 percentages assigned in the declaration, as duly recorded or as it
6 may be lawfully amended, to the apartments for voting purposes.

7 (16) "Electronic transmission" or "electronically transmitted"
8 means any electronic communication not directly involving the
9 physical transfer of a writing in a tangible medium, but that may be
10 retained, retrieved, and reviewed by the sender and the recipient of
11 the communication, and that may be directly reproduced in a tangible
12 medium by a sender and recipient.

13 (17) "Tangible medium" means a writing, copy of a writing,
14 facsimile, or a physical reproduction, each on paper or on other
15 tangible material.

16 NEW SECTION. Sec. 2. A new section is added to chapter 64.32
17 RCW to read as follows:

18 (1) Notwithstanding any inconsistent provision in the governing
19 documents, notice to the association of apartment owners, board of
20 directors, or any apartment owner or occupant of an apartment under
21 this chapter shall be in writing and shall be provided to the
22 recipient by personal delivery, public or private mail or delivery
23 service, or by electronic transmission as provided in this section:
24 PROVIDED, That if this chapter requires different or additional
25 notice requirements for particular circumstances, those requirements
26 shall apply.

27 (2) Notice in a tangible medium shall be provided as follows:

28 (a) Notice to the association of apartment owners or board of
29 directors shall be addressed to the association's registered agent at
30 its registered office, to the association at its principal office
31 shown in its most recent annual report, or to an address provided by
32 the association to the apartment owners.

33 (b) Notice to an apartment owner or occupant shall be addressed
34 to the apartment address unless the apartment owner has requested, in
35 a writing delivered to the association, that notices be sent to an
36 alternate address.

37 (3) Notice in an electronic transmission shall be provided as
38 follows:

1 (a) Notice to the association of apartment owners, the board of
2 directors, or apartment owners by electronic transmission is
3 effective only upon those who have consented, in writing, to receive
4 electronically transmitted notices under this chapter and have
5 designated the address, location, or system to which such notices may
6 be electronically transmitted, provided that such notice otherwise
7 complies with any other requirements of this chapter and applicable
8 law.

9 (b) Notice under this subsection includes any materials that
10 accompany the notice.

11 (c) Owners who have consented to receipt of electronically
12 transmitted notices may revoke this consent by delivering a
13 revocation to the association of apartment owners in writing.

14 (d) The consent of any apartment owner is revoked if the
15 association is unable to electronically transmit two consecutive
16 notices and this inability becomes known to the secretary of the
17 association of apartment owners or any other person responsible for
18 giving the notice. The inadvertent failure by the association of
19 apartment owners to treat this inability as a revocation does not
20 invalidate any meeting or other action.

21 (e) Notice to apartment owners who have consented to receipt of
22 electronically transmitted notices may be provided by posting the
23 notice on an electronic network and delivering to the apartment owner
24 separate notice of the posting, together with comprehensible
25 instructions regarding how to obtain access to the posting on the
26 electronic network.

27 (4) Notice is effective as follows:

28 (a) Notice provided in a tangible medium is effective as of the
29 date of hand delivery, deposit with the carrier, or when sent by fax.

30 (b) Notice provided in an electronic transmission is effective as
31 of the date it:

32 (i) Is electronically transmitted to an address, location, or
33 system designated by the recipient for that purpose; or

34 (ii) Has been posted on an electronic network and separate notice
35 of the posting has been sent to the recipient containing instructions
36 regarding how to obtain access to the posting on the electronic
37 network.

38 (5) The ineffectiveness of a good faith effort to deliver notice
39 by an authorized means does not invalidate action taken at or without
40 a meeting.

1 (6) This chapter modifies, limits, and supersedes the federal
2 electronic signatures in global and national commerce act, 15 U.S.C.
3 Sec. 7001 et seq., but does not modify, limit, or supersede 15 U.S.C.
4 Sec. 7001(c) or authorize electronic delivery of any of the notices
5 described in 15 U.S.C. Sec. 7003(b).

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 64.32
7 RCW to read as follows:

8 (1) Apartment owners may vote at a meeting in person, by absentee
9 ballot pursuant to subsection (3)(d) of this section, or by a proxy
10 pursuant to subsection (5) of this section.

11 (2) When a vote is conducted without a meeting, apartment owners
12 may vote by ballot pursuant to subsection (6) of this section.

13 (3) At a meeting of apartment owners the following requirements
14 apply:

15 (a) Apartment owners or their proxies who are present in person
16 may vote by voice vote, show of hands, standing, written ballot, or
17 any other method for determining the votes of apartment owners, as
18 designated by the person presiding at the meeting.

19 (b) If only one of several apartment owners of an apartment is
20 present, that apartment owner is entitled to cast all the votes
21 allocated to that apartment. If more than one of the apartment owners
22 are present, the votes allocated to that apartment may be cast only
23 in accordance with the agreement of a majority in interest of the
24 apartment owners, unless the declaration expressly provides
25 otherwise. There is a majority agreement if any one of the apartment
26 owners casts the votes allocated to the apartment without protest
27 being made promptly to the person presiding over the meeting by any
28 of the other apartment owners of the apartment.

29 (c) Unless a greater number or fraction of the votes in the
30 association is required under this chapter or the declaration or
31 organizational documents, a majority of the votes cast determines the
32 outcome of any action of the association.

33 (d) Whenever proposals or board members are to be voted upon at a
34 meeting, an apartment owner may vote by duly executed absentee ballot
35 if:

36 (i) The name of each candidate and the text of each proposal to
37 be voted upon are set forth in a writing accompanying or contained in
38 the notice of meeting; and

39 (ii) A ballot is provided by the association for such purpose.

1 (4) When an apartment owner votes by absentee ballot, the
2 association must be able to verify that the ballot is cast by the
3 apartment owner having the right to do so.

4 (5) Except as provided otherwise in the declaration or
5 organizational documents, the following requirements apply with
6 respect to proxy voting:

7 (a) Votes allocated to an apartment may be cast pursuant to a
8 directed or undirected proxy duly executed by an apartment owner in
9 the same manner as provided in RCW 24.06.110.

10 (b) If an apartment is owned by more than one person, each
11 apartment owner of the apartment may vote or register protest to the
12 casting of votes by the other apartment owners of the apartment
13 through a duly executed proxy.

14 (c) An apartment owner may revoke a proxy given pursuant to this
15 section only by actual notice of revocation to the secretary or the
16 person presiding over a meeting of the association or by delivery of
17 a subsequent proxy. The death or disability of an apartment owner
18 does not revoke a proxy given by the apartment owner unless the
19 person presiding over the meeting has actual notice of the death or
20 disability.

21 (d) A proxy is void if it is not dated or purports to be
22 revocable without notice.

23 (e) Unless stated otherwise in the proxy, a proxy terminates
24 eleven months after its date of issuance.

25 (6) Unless prohibited or limited by the declaration or
26 organizational documents, an association may conduct a vote without a
27 meeting. In that event, the following requirements apply:

28 (a) The association must notify the apartment owners that the
29 vote will be taken by ballot.

30 (b) The notice must state:

31 (i) The time and date by which a ballot must be delivered to the
32 association to be counted, which may not be fewer than fourteen days
33 after the date of the notice, and which deadline may be extended in
34 accordance with (g) of this subsection;

35 (ii) The percent of votes necessary to meet the quorum
36 requirements;

37 (iii) The percent of votes necessary to approve each matter other
38 than election of board members; and

1 (iv) The time, date, and manner by which apartment owners wishing
2 to deliver information to all apartment owners regarding the subject
3 of the vote may do so.

4 (c) The association must deliver a ballot to every apartment
5 owner with the notice.

6 (d) The ballot must set forth each proposed action and provide an
7 opportunity to vote for or against the action.

8 (e) A ballot cast pursuant to this section may be revoked only by
9 actual notice to the association of revocation. The death or
10 disability of an apartment owner does not revoke a ballot unless the
11 association has actual notice of the death or disability prior to the
12 date set forth in (b) (i) of this subsection.

13 (f) Approval by ballot pursuant to this subsection is valid only
14 if the number of votes cast by ballot equals or exceeds the quorum
15 required to be present at a meeting authorizing the action.

16 (g) If the association does not receive a sufficient number of
17 votes to constitute a quorum or to approve the proposal by the date
18 and time established for return of ballots, the board of directors
19 may extend the deadline for a reasonable period not to exceed eleven
20 months upon further notice to all members in accordance with (b) of
21 this subsection. In that event, all votes previously cast on the
22 proposal must be counted unless subsequently revoked as provided in
23 this section.

24 (h) A ballot or revocation is not effective until received by the
25 association.

26 (i) The association must give notice to apartment owners of any
27 action taken pursuant to this subsection within a reasonable time
28 after the action is taken.

29 (j) When an action is taken pursuant to this subsection, a record
30 of the action, including the ballots or a report of the persons
31 appointed to tabulate such ballots, must be kept with the minutes of
32 meetings of the association.

33 (7) If the governing documents require that votes on specified
34 matters affecting the common interest community be cast by lessees
35 rather than apartment owners of leased apartments:

36 (a) This section applies to lessees as if they were apartment
37 owners;

38 (b) Apartment owners that have leased their apartments to other
39 persons may not cast votes on those specified matters; and

1 (c) Lessees are entitled to notice of meetings, access to
2 records, and other rights respecting those matters as if they were
3 apartment owners.

4 (8) Apartment owners must also be given notice, in the manner
5 provided in section 2 of this act, of all meetings at which lessees
6 may be entitled to vote.

7 (9) In any vote of the apartment owners, votes allocated to an
8 apartment owned by the association must be cast in the same
9 proportion as the votes cast on the matter by apartment owners other
10 than the association.

11 (10) Except as otherwise restricted by the declaration, bylaws,
12 or articles of incorporation, meetings of apartment owners may be
13 conducted by telephonic, video, or other conferencing process, if:
14 (a) The meeting notice states the conferencing process to be used and
15 provides information explaining how apartment owners may participate
16 in the conference directly or by meeting at a central location or
17 conference connection; and (b) the process provides all apartment
18 owners the opportunity to hear or perceive the discussion and to
19 comment.

20 **Sec. 4.** RCW 64.34.020 and 2011 c 189 s 1 are each reenacted and
21 amended to read as follows:

22 In the declaration and bylaws, unless specifically provided
23 otherwise or the context requires otherwise, and in this chapter:

24 (1) "Affiliate" means any person who controls, is controlled by,
25 or is under common control with the referenced person. A person
26 "controls" another person if the person: (a) Is a general partner,
27 officer, director, or employer of the referenced person; (b) directly
28 or indirectly or acting in concert with one or more other persons, or
29 through one or more subsidiaries, owns, controls, holds with power to
30 vote, or holds proxies representing, more than twenty percent of the
31 voting interest in the referenced person; (c) controls in any manner
32 the election of a majority of the directors of the referenced person;
33 or (d) has contributed more than twenty percent of the capital of the
34 referenced person. A person "is controlled by" another person if the
35 other person: (i) Is a general partner, officer, director, or
36 employer of the person; (ii) directly or indirectly or acting in
37 concert with one or more other persons, or through one or more
38 subsidiaries, owns, controls, holds with power to vote, or holds
39 proxies representing, more than twenty percent of the voting interest

1 in the person; (iii) controls in any manner the election of a
2 majority of the directors of the person; or (iv) has contributed more
3 than twenty percent of the capital of the person. Control does not
4 exist if the powers described in this subsection are held solely as
5 security for an obligation and are not exercised.

6 (2) "Allocated interests" means the undivided interest in the
7 common elements, the common expense liability, and votes in the
8 association allocated to each unit.

9 (3) "Assessment" means all sums chargeable by the association
10 against a unit including, without limitation: (a) Regular and special
11 assessments for common expenses, charges, and fines imposed by the
12 association; (b) interest and late charges on any delinquent account;
13 and (c) costs of collection, including reasonable attorneys' fees,
14 incurred by the association in connection with the collection of a
15 delinquent owner's account.

16 (4) "Association" or "unit owners' association" means the unit
17 owners' association organized under RCW 64.34.300.

18 (5) "Baseline funding plan" means establishing a reserve funding
19 goal of maintaining a reserve account balance above zero dollars
20 throughout the thirty-year study period described under RCW
21 64.34.380.

22 (6) "Board of directors" means the body, regardless of name, with
23 primary authority to manage the affairs of the association.

24 (7) "Common elements" means all portions of a condominium other
25 than the units.

26 (8) "Common expense liability" means the liability for common
27 expenses allocated to each unit pursuant to RCW 64.34.224.

28 (9) "Common expenses" means expenditures made by or financial
29 liabilities of the association, together with any allocations to
30 reserves.

31 (10) "Condominium" means real property, portions of which are
32 designated for separate ownership and the remainder of which is
33 designated for common ownership solely by the owners of those
34 portions. Real property is not a condominium unless the undivided
35 interests in the common elements are vested in the unit owners, and
36 unless a declaration and a survey map and plans have been recorded
37 pursuant to this chapter.

38 (11) "Contribution rate" means, in a reserve study as described
39 in RCW 64.34.380, the amount contributed to the reserve account so
40 that the association will have cash reserves to pay major

1 maintenance, repair, or replacement costs without the need of a
2 special assessment.

3 (12) "Conversion condominium" means a condominium (a) that at any
4 time before creation of the condominium was lawfully occupied wholly
5 or partially by a tenant or subtenant for residential purposes
6 pursuant to a rental agreement, oral or written, express or implied,
7 for which the tenant or subtenant had not received the notice
8 described in (b) of this subsection; or (b) that, at any time within
9 twelve months before the conveyance of, or acceptance of an agreement
10 to convey, any unit therein other than to a declarant or any
11 affiliate of a declarant, was lawfully occupied wholly or partially
12 by a residential tenant of a declarant or an affiliate of a declarant
13 and such tenant was not notified in writing, prior to lawfully
14 occupying a unit or executing a rental agreement, whichever event
15 first occurs, that the unit was part of a condominium and subject to
16 sale. "Conversion condominium" shall not include a condominium in
17 which, before July 1, 1990, any unit therein had been conveyed or
18 been made subject to an agreement to convey to any transferee other
19 than a declarant or an affiliate of a declarant.

20 (13) "Conveyance" means any transfer of the ownership of a unit,
21 including a transfer by deed or by real estate contract and, with
22 respect to a unit in a leasehold condominium, a transfer by lease or
23 assignment thereof, but shall not include a transfer solely for
24 security.

25 (14) "Dealer" means a person who, together with such person's
26 affiliates, owns or has a right to acquire either six or more units
27 in a condominium or fifty percent or more of the units in a
28 condominium containing more than two units.

29 (15) "Declarant" means:

30 (a) Any person who executes as declarant a declaration as defined
31 in subsection (17) of this section; or

32 (b) Any person who reserves any special declarant right in the
33 declaration; or

34 (c) Any person who exercises special declarant rights or to whom
35 special declarant rights are transferred; or

36 (d) Any person who is the owner of a fee interest in the real
37 property which is subjected to the declaration at the time of the
38 recording of an instrument pursuant to RCW 64.34.316 and who directly
39 or through one or more affiliates is materially involved in the

1 construction, marketing, or sale of units in the condominium created
2 by the recording of the instrument.

3 (16) "Declarant control" means the right of the declarant or
4 persons designated by the declarant to appoint and remove officers
5 and members of the board of directors, or to veto or approve a
6 proposed action of the board or association, pursuant to RCW
7 64.34.308 (5) or (6).

8 (17) "Declaration" means the document, however denominated, that
9 creates a condominium by setting forth the information required by
10 RCW 64.34.216 and any amendments to that document.

11 (18) "Development rights" means any right or combination of
12 rights reserved by a declarant in the declaration to: (a) Add real
13 property or improvements to a condominium; (b) create units, common
14 elements, or limited common elements within real property included or
15 added to a condominium; (c) subdivide units or convert units into
16 common elements; (d) withdraw real property from a condominium; or
17 (e) reallocate limited common elements with respect to units that
18 have not been conveyed by the declarant.

19 (19) "Dispose" or "disposition" means a voluntary transfer or
20 conveyance to a purchaser or lessee of any legal or equitable
21 interest in a unit, but does not include the transfer or release of a
22 security interest.

23 (20) "Effective age" means the difference between the estimated
24 useful life and remaining useful life.

25 (21) "Eligible mortgagee" means the holder of a mortgage on a
26 unit that has filed with the secretary of the association a written
27 request that it be given copies of notices of any action by the
28 association that requires the consent of mortgagees.

29 (22) "Foreclosure" means a forfeiture or judicial or nonjudicial
30 foreclosure of a mortgage or a deed in lieu thereof.

31 (23) "Full funding plan" means setting a reserve funding goal of
32 achieving one hundred percent fully funded reserves by the end of the
33 thirty-year study period described under RCW 64.34.380, in which the
34 reserve account balance equals the sum of the deteriorated portion of
35 all reserve components.

36 (24) "Fully funded balance" means the current value of the
37 deteriorated portion, not the total replacement value, of all the
38 reserve components. The fully funded balance for each reserve
39 component is calculated by multiplying the current replacement cost
40 of that reserve component by its effective age, then dividing the

1 result by that reserve component's useful life. The sum total of all
2 reserve components' fully funded balances is the association's fully
3 funded balance.

4 (25) "Identifying number" means the designation of each unit in a
5 condominium.

6 (26) "Leasehold condominium" means a condominium in which all or
7 a portion of the real property is subject to a lease, the expiration
8 or termination of which will terminate the condominium or reduce its
9 size.

10 (27) "Limited common element" means a portion of the common
11 elements allocated by the declaration or by operation of RCW
12 64.34.204 (2) or (4) for the exclusive use of one or more but fewer
13 than all of the units.

14 (28) "Master association" means an organization described in RCW
15 64.34.276, whether or not it is also an association described in RCW
16 64.34.300.

17 (29) "Mortgage" means a mortgage, deed of trust or real estate
18 contract.

19 (30) "Person" means a natural person, corporation, partnership,
20 limited partnership, trust, governmental subdivision or agency, or
21 other legal entity.

22 (31) "Purchaser" means any person, other than a declarant or a
23 dealer, who by means of a disposition acquires a legal or equitable
24 interest in a unit other than (a) a leasehold interest, including
25 renewal options, of less than twenty years at the time of creation of
26 the unit, or (b) as security for an obligation.

27 (32) "Real property" means any fee, leasehold or other estate or
28 interest in, over, or under land, including structures, fixtures, and
29 other improvements thereon and easements, rights and interests
30 appurtenant thereto which by custom, usage, or law pass with a
31 conveyance of land although not described in the contract of sale or
32 instrument of conveyance. "Real property" includes parcels, with or
33 without upper or lower boundaries, and spaces that may be filled with
34 air or water.

35 (33) "Remaining useful life" means the estimated time, in years,
36 before a reserve component will require major maintenance, repair, or
37 replacement to perform its intended function.

38 (34) "Replacement cost" means the current cost of replacing,
39 repairing, or restoring a reserve component to its original
40 functional condition.

1 (35) "Reserve component" means a common element whose cost of
2 maintenance, repair, or replacement is infrequent, significant, and
3 impractical to include in an annual budget.

4 (36) "Reserve study professional" means an independent person who
5 is suitably qualified by knowledge, skill, experience, training, or
6 education to prepare a reserve study in accordance with RCW 64.34.380
7 and 64.34.382.

8 (37) "Residential purposes" means use for dwelling or
9 recreational purposes, or both.

10 (38) "Significant assets" means that the current total cost of
11 major maintenance, repair, and replacement of the reserve components
12 is fifty percent or more of the gross budget of the association,
13 excluding reserve account funds.

14 (39) "Special declarant rights" means rights reserved for the
15 benefit of a declarant to: (a) Complete improvements indicated on
16 survey maps and plans filed with the declaration under RCW 64.34.232;
17 (b) exercise any development right under RCW 64.34.236; (c) maintain
18 sales offices, management offices, signs advertising the condominium,
19 and models under RCW 64.34.256; (d) use easements through the common
20 elements for the purpose of making improvements within the
21 condominium or within real property which may be added to the
22 condominium under RCW 64.34.260; (e) make the condominium part of a
23 larger condominium or a development under RCW 64.34.280; (f) make the
24 condominium subject to a master association under RCW 64.34.276; or
25 (g) appoint or remove any officer of the association or any master
26 association or any member of the board of directors, or to veto or
27 approve a proposed action of the board or association, during any
28 period of declarant control under RCW 64.34.308(5).

29 (40) "Timeshare" shall have the meaning specified in the
30 timeshare act, RCW 64.36.010(11).

31 (41) "Unit" means a physical portion of the condominium
32 designated for separate ownership, the boundaries of which are
33 described pursuant to RCW 64.34.216(1)(d). "Separate ownership"
34 includes leasing a unit in a leasehold condominium under a lease that
35 expires contemporaneously with any lease, the expiration or
36 termination of which will remove the unit from the condominium.

37 (42) "Unit owner" means a declarant or other person who owns a
38 unit or leases a unit in a leasehold condominium under a lease that
39 expires simultaneously with any lease, the expiration or termination
40 of which will remove the unit from the condominium, but does not

1 include a person who has an interest in a unit solely as security for
2 an obligation. "Unit owner" means the vendee, not the vendor, of a
3 unit under a real estate contract.

4 (43) "Useful life" means the estimated time, between years, that
5 major maintenance, repair, or replacement is estimated to occur.

6 (44) "Electronic transmission" or "electronically transmitted"
7 means any electronic communication not directly involving the
8 physical transfer of a writing in a tangible medium, but that may be
9 retained, retrieved, and reviewed by the sender and the recipient of
10 the communication, and that may be directly reproduced in a tangible
11 medium by a sender and recipient.

12 (45) "Tangible medium" means a writing, copy of a writing,
13 facsimile, or a physical reproduction, each on paper or on other
14 tangible material.

15 **Sec. 5.** RCW 64.34.332 and 1989 c 43 s 3-109 are each amended to
16 read as follows:

17 (1) A meeting of the association must be held at least once each
18 year. Special meetings of the association may be called by the
19 president, a majority of the board of directors, or by unit owners
20 having twenty percent or any lower percentage specified in the
21 declaration or bylaws of the votes in the association. Not less than
22 ((ten)) fourteen nor more than ((sixty)) fifty days in advance of any
23 meeting, the secretary or other officer specified in the bylaws shall
24 cause notice to be ((hand-delivered or sent prepaid by first-class
25 United States mail to the mailing address of each unit or to any
26 other mailing address designated in writing by the unit owner))
27 provided in accordance with this chapter. The notice of any meeting
28 shall state the time and place of the meeting and the items on the
29 agenda to be voted on by the members, including the general nature of
30 any proposed amendment to the declaration or bylaws, changes in the
31 previously approved budget that result in a change in assessment
32 obligations, and any proposal to remove a director or officer.

33 (2) Except as otherwise restricted by the declaration, bylaws, or
34 articles of incorporation, meetings of unit owners may be conducted
35 by telephonic, video, or other conferencing process, if: (a) The
36 meeting notice states the conferencing process to be used and
37 provides information explaining how unit owners may participate in
38 the conference directly or by meeting at a central location or

1 conference connection; and (b) the process provides all unit owners
2 the opportunity to hear or perceive the discussion and to comment.

3 **Sec. 6.** RCW 64.34.340 and 1992 c 220 s 17 are each amended to
4 read as follows:

5 ~~((1) If only one of the multiple owners of a unit is present at~~
6 ~~a meeting of the association or has delivered a written ballot or~~
7 ~~proxy to the association secretary, the owner is entitled to cast all~~
8 ~~the votes allocated to that unit. If more than one of the multiple~~
9 ~~owners are present or has delivered a written ballot or proxy to the~~
10 ~~association secretary, the votes allocated to that unit may be cast~~
11 ~~only in accordance with the agreement of a majority in interest of~~
12 ~~the multiple owners, unless the declaration expressly provides~~
13 ~~otherwise. There is majority agreement if any one of the multiple~~
14 ~~owners casts the votes allocated to that unit without protest being~~
15 ~~made promptly to the person presiding over the meeting by any of the~~
16 ~~other owners of the unit.~~

17 ~~(2) Votes allocated to a unit may be cast pursuant to a proxy~~
18 ~~duly executed by a unit owner. If a unit is owned by more than one~~
19 ~~person, each owner of the unit may vote or register protest to the~~
20 ~~casting of votes by the other owners of the unit through a duly~~
21 ~~executed proxy. A unit owner may not revoke a proxy given pursuant to~~
22 ~~this section except by actual notice of revocation to the person~~
23 ~~presiding over a meeting of the association. A proxy is void if it is~~
24 ~~not dated or purports to be revocable without notice. Unless stated~~
25 ~~otherwise in the proxy, a proxy terminates eleven months after its~~
26 ~~date of issuance.~~

27 ~~(3) If the declaration requires that votes on specified matters~~
28 ~~affecting the condominium be cast by lessees rather than unit owners~~
29 ~~of leased units: (a) The provisions of subsections (1) and (2) of~~
30 ~~this section apply to lessees as if they were unit owners; (b) unit~~
31 ~~owners who have leased their units to other persons may not cast~~
32 ~~votes on those specified matters; and (c) lessees are entitled to~~
33 ~~notice of meetings, access to records, and other rights respecting~~
34 ~~those matters as if they were unit owners. Unit owners must also be~~
35 ~~given notice, in the manner provided in RCW 64.34.332, of all~~
36 ~~meetings at which lessees may be entitled to vote.~~

37 ~~(4) No votes allocated to a unit owned by the association may be~~
38 ~~cast, and in determining the percentage of votes required to act on~~
39 ~~any matter, the votes allocated to units owned by the association~~

1 ~~shall be disregarded.)~~ (1) Unit owners may vote at a meeting in
2 person, by absentee ballot pursuant to subsection (3)(d) of this
3 section, or by a proxy pursuant to subsection (5) of this section.

4 (2) When a vote is conducted without a meeting, unit owners may
5 vote by ballot pursuant to subsection (6) of this section.

6 (3) At a meeting of unit owners the following requirements apply:

7 (a) Unit owners or their proxies who are present in person may
8 vote by voice vote, show of hands, standing, written ballot, or any
9 other method for determining the votes of unit owners, as designated
10 by the person presiding at the meeting.

11 (b) If only one of several unit owners of a unit is present, that
12 unit owner is entitled to cast all the votes allocated to that unit.
13 If more than one of the unit owners are present, the votes allocated
14 to that unit may be cast only in accordance with the agreement of a
15 majority in interest of the unit owners, unless the declaration
16 expressly provides otherwise. There is a majority agreement if any
17 one of the unit owners casts the votes allocated to the unit without
18 protest being made promptly to the person presiding over the meeting
19 by any of the other unit owners of the unit.

20 (c) Unless a greater number or fraction of the votes in the
21 association is required under this chapter or the declaration or
22 organizational documents, a majority of the votes cast determines the
23 outcome of any action of the association.

24 (d) Whenever proposals or board members are to be voted upon at a
25 meeting, a unit owner may vote by duly executed absentee ballot if:

26 (i) The name of each candidate and the text of each proposal to
27 be voted upon are set forth in a writing accompanying or contained in
28 the notice of meeting; and

29 (ii) A ballot is provided by the association for such purpose.

30 (4) When a unit owner votes by absentee ballot, the association
31 must be able to verify that the ballot is cast by the unit owner
32 having the right to do so.

33 (5) Except as provided otherwise in the declaration or
34 organizational documents, the following requirements apply with
35 respect to proxy voting:

36 (a) Votes allocated to a unit may be cast pursuant to a directed
37 or undirected proxy duly executed by a unit owner in the same manner
38 as provided in RCW 24.06.110.

1 (b) If a unit is owned by more than one person, each unit owner
2 of the unit may vote or register protest to the casting of votes by
3 the other unit owners of the unit through a duly executed proxy.

4 (c) A unit owner may revoke a proxy given pursuant to this
5 section only by actual notice of revocation to the secretary or the
6 person presiding over a meeting of the association or by delivery of
7 a subsequent proxy. The death or disability of a unit owner does not
8 revoke a proxy given by the unit owner unless the person presiding
9 over the meeting has actual notice of the death or disability.

10 (d) A proxy is void if it is not dated or purports to be
11 revocable without notice.

12 (e) Unless stated otherwise in the proxy, a proxy terminates
13 eleven months after its date of issuance.

14 (6) Unless prohibited or limited by the declaration or
15 organizational documents, an association may conduct a vote without a
16 meeting. In that event, the following requirements apply:

17 (a) The association must notify the unit owners that the vote
18 will be taken by ballot.

19 (b) The notice must state:

20 (i) The time and date by which a ballot must be delivered to the
21 association to be counted, which may not be fewer than fourteen days
22 after the date of the notice, and which deadline may be extended in
23 accordance with (g) of this subsection;

24 (ii) The percent of votes necessary to meet the quorum
25 requirements;

26 (iii) The percent of votes necessary to approve each matter other
27 than election of board members; and

28 (iv) The time, date, and manner by which unit owners wishing to
29 deliver information to all unit owners regarding the subject of the
30 vote may do so.

31 (c) The association must deliver a ballot to every unit owner
32 with the notice.

33 (d) The ballot must set forth each proposed action and provide an
34 opportunity to vote for or against the action.

35 (e) A ballot cast pursuant to this section may be revoked only by
36 actual notice to the association of revocation. The death or
37 disability of a unit owner does not revoke a ballot unless the
38 association has actual notice of the death or disability prior to the
39 date set forth in (b) (i) of this subsection.

1 (f) Approval by ballot pursuant to this subsection is valid only
2 if the number of votes cast by ballot equals or exceeds the quorum
3 required to be present at a meeting authorizing the action.

4 (g) If the association does not receive a sufficient number of
5 votes to constitute a quorum or to approve the proposal by the date
6 and time established for return of ballots, the board of directors
7 may extend the deadline for a reasonable period not to exceed eleven
8 months upon further notice to all members in accordance with (b) of
9 this subsection. In that event, all votes previously cast on the
10 proposal must be counted unless subsequently revoked as provided in
11 this section.

12 (h) A ballot or revocation is not effective until received by the
13 association.

14 (i) The association must give notice to unit owners of any action
15 taken pursuant to this subsection within a reasonable time after the
16 action is taken.

17 (j) When an action is taken pursuant to this subsection, a record
18 of the action, including the ballots or a report of the persons
19 appointed to tabulate such ballots, must be kept with the minutes of
20 meetings of the association.

21 (7) If the governing documents require that votes on specified
22 matters affecting the common interest community be cast by lessees
23 rather than unit owners of leased units:

24 (a) This section applies to lessees as if they were unit owners;

25 (b) Unit owners that have leased their units to other persons may
26 not cast votes on those specified matters; and

27 (c) Lessees are entitled to notice of meetings, access to
28 records, and other rights respecting those matters as if they were
29 unit owners.

30 (8) Unit owners must also be given notice, in the manner provided
31 in section 8 of this act, of all meetings at which lessees may be
32 entitled to vote.

33 (9) In any vote of the unit owners, votes allocated to a unit
34 owned by the association must be cast in the same proportion as the
35 votes cast on the matter by unit owners other than the association.

36 **Sec. 7.** RCW 64.34.352 and 1992 c 220 s 18 are each amended to
37 read as follows:

1 (1) Commencing not later than the time of the first conveyance of
2 a unit to a person other than a declarant, the association shall
3 maintain, to the extent reasonably available:

4 (a) Property insurance on the condominium, which may, but need
5 not, include equipment, improvements, and betterments in a unit
6 installed by the declarant or the unit owners, insuring against all
7 risks of direct physical loss commonly insured against. The total
8 amount of insurance after application of any deductibles shall be not
9 less than eighty percent, or such greater amount specified in the
10 declaration, of the actual cash value of the insured property at the
11 time the insurance is purchased and at each renewal date, exclusive
12 of land, excavations, foundations, and other items normally excluded
13 from property policies; and

14 (b) Liability insurance, including medical payments insurance, in
15 an amount determined by the board of directors but not less than the
16 amount specified in the declaration, covering all occurrences
17 commonly insured against for death, bodily injury, and property
18 damage arising out of or in connection with the use, ownership, or
19 maintenance of the common elements.

20 (2) If the insurance described in subsection (1) of this section
21 is not reasonably available, or is modified, canceled, or not
22 renewed, the association promptly shall cause notice of that fact to
23 be provided to each unit owner in accordance with this chapter and
24 hand-delivered or sent prepaid by first-class United States mail ((~~to~~
25 all-unit-owners,)) to each eligible mortgagee((~~7~~)) and to each
26 mortgagee to whom a certificate or memorandum of insurance has been
27 issued at their respective last known addresses. The declaration may
28 require the association to carry any other insurance, and the
29 association in any event may carry any other insurance it deems
30 appropriate to protect the association or the unit owners.

31 (3) Insurance policies carried pursuant to subsection (1) of this
32 section shall provide that:

33 (a) Each unit owner is an insured person under the policy with
34 respect to liability arising out of the owner's interest in the
35 common elements or membership in the association;

36 (b) The insurer waives its right to subrogation under the policy
37 against any unit owner, member of the owner's household, and lessee
38 of the owner;

1 (c) No act or omission by any unit owner, unless acting within
2 the scope of the owner's authority on behalf of the association, will
3 void the policy or be a condition to recovery under the policy; and

4 (d) If, at the time of a loss under the policy, there is other
5 insurance in the name of a unit owner covering the same risk covered
6 by the policy, the association's policy provides primary insurance.

7 (4) Any loss covered by the property insurance under subsection
8 (1)(a) of this section must be adjusted with the association, but the
9 insurance proceeds for that loss are payable to any insurance trustee
10 designated for that purpose, or otherwise to the association, and not
11 to any holder of a mortgage. The insurance trustee or the association
12 shall hold any insurance proceeds in trust for unit owners and
13 lienholders as their interests may appear. Subject to the provisions
14 of subsection (7) of this section, the proceeds must be disbursed
15 first for the repair or restoration of the damaged property, and unit
16 owners and lienholders are not entitled to receive payment of any
17 portion of the proceeds unless there is a surplus of proceeds after
18 the property has been completely repaired or restored or the
19 condominium is terminated.

20 (5) An insurance policy issued to the association does not
21 prevent a unit owner from obtaining insurance for the owner's own
22 benefit.

23 (6) An insurer that has issued an insurance policy under this
24 section shall issue certificates or memoranda of insurance to the
25 association and, upon written request, to any unit owner or holder of
26 a mortgage. The insurer issuing the policy may not modify the amount
27 or the extent of the coverage of the policy or cancel or refuse to
28 renew the policy unless the insurer has complied with all applicable
29 provisions of chapter 48.18 RCW pertaining to the cancellation or
30 nonrenewal of contracts of insurance. The insurer shall not modify
31 the amount or the extent of the coverage of the policy, or cancel or
32 refuse to renew the policy without complying with this section.

33 (7) Any portion of the condominium for which insurance is
34 required under this section which is damaged or destroyed shall be
35 repaired or replaced promptly by the association unless: (a) The
36 condominium is terminated; (b) repair or replacement would be illegal
37 under any state or local health or safety statute or ordinance; or
38 (c) eighty percent of the unit owners, including every owner of a
39 unit or assigned limited common element which will not be rebuilt,
40 vote not to rebuild. The cost of repair or replacement in excess of

1 insurance proceeds and reserves is a common expense. If all of the
2 damaged or destroyed portions of the condominium are not repaired or
3 replaced: (i) The insurance proceeds attributable to the damaged
4 common elements shall be used to restore the damaged area to a
5 condition compatible with the remainder of the condominium; (ii) the
6 insurance proceeds attributable to units and limited common elements
7 which are not rebuilt shall be distributed to the owners of those
8 units and the owners of the units to which those limited common
9 elements were allocated, or to lienholders, as their interests may
10 appear; and (iii) the remainder of the proceeds shall be distributed
11 to all the unit owners or lienholders, as their interests may appear,
12 in proportion to the common element interests of all the units. If
13 the unit owners vote not to rebuild any unit, that unit's allocated
14 interests are automatically reallocated upon the vote as if the unit
15 had been condemned under RCW 64.34.060(1), and the association
16 promptly shall prepare, execute, and record an amendment to the
17 declaration reflecting the reallocations. Notwithstanding the
18 provisions of this subsection, RCW 64.34.268 governs the distribution
19 of insurance proceeds if the condominium is terminated.

20 (8) The provisions of this section may be varied or waived as
21 provided in the declaration if all units of a condominium are
22 restricted to nonresidential use.

23 NEW SECTION. **Sec. 8.** A new section is added to chapter 64.34
24 RCW to read as follows:

25 (1) Notwithstanding any inconsistent provision in the governing
26 documents, notice to the association, board of directors, or any
27 owner or occupant of a unit under this chapter shall be in writing
28 and shall be provided to the recipient by personal delivery, public
29 or private mail or delivery service, or by electronic transmission as
30 provided in this section: PROVIDED, That if this chapter requires
31 different or additional notice requirements for particular
32 circumstances, those requirements shall apply.

33 (2) Notice in a tangible medium shall be provided as follows:

34 (a) Notice to the association or board of directors shall be
35 addressed to the association's registered agent at its registered
36 office, to the association at its principal office shown in its most
37 recent annual report, or to an address provided by the association to
38 the unit owners.

1 (b) Notice to a unit owner or occupant shall be addressed to the
2 unit address unless the unit owner has requested, in a writing
3 delivered to the association, that notices be sent to an alternate
4 address.

5 (3) Notice in an electronic transmission shall be provided as
6 follows:

7 (a) Notice to the association, the board of directors, or unit
8 owners by electronic transmission is effective only upon those who
9 have consented, in writing, to receive electronically transmitted
10 notices under this chapter and have designated the address, location,
11 or system to which such notices may be electronically transmitted,
12 provided that such notice otherwise complies with any other
13 requirements of this chapter and applicable law.

14 (b) Notice under this subsection includes any materials that
15 accompany the notice.

16 (c) Owners who have consented to receipt of electronically
17 transmitted notices may revoke this consent by delivering a
18 revocation to the association in writing.

19 (d) The consent of any owner is revoked if the association is
20 unable to electronically transmit two consecutive notices and this
21 inability becomes known to the secretary of the association or any
22 other person responsible for giving the notice. The inadvertent
23 failure by the association to treat this inability as a revocation
24 does not invalidate any meeting or other action.

25 (e) Notice to unit owners who have consented to receipt of
26 electronically transmitted notices may be provided by posting the
27 notice on an electronic network and delivering to the unit owner
28 separate notice of the posting, together with comprehensible
29 instructions regarding how to obtain access to the posting on the
30 electronic network.

31 (4) Notice is effective as follows:

32 (a) Notice provided in a tangible medium is effective as of the
33 date of hand delivery, deposit with the carrier, or when sent by fax.

34 (b) Notice provided in an electronic transmission is effective as
35 of the date it:

36 (i) Is electronically transmitted to an address, location, or
37 system designated by the recipient for that purpose; or

38 (ii) Has been posted on an electronic network and separate notice
39 of the posting has been sent to the recipient containing instructions

1 regarding how to obtain access to the posting on the electronic
2 network.

3 (5) The ineffectiveness of a good faith effort to deliver notice
4 by an authorized means does not invalidate action taken at or without
5 a meeting.

6 (6) This chapter modifies, limits, and supersedes the federal
7 electronic signatures in global and national commerce act, 15 U.S.C.
8 Sec. 7001 et seq., but does not modify, limit, or supersede 15 U.S.C.
9 Sec. 7001(c) or authorize electronic delivery of any of the notices
10 described in 15 U.S.C. Sec. 7003(b).

11 **Sec. 9.** RCW 64.38.010 and 2011 c 189 s 7 are each reenacted and
12 amended to read as follows:

13 For purposes of this chapter:

14 (1) "Assessment" means all sums chargeable to an owner by an
15 association in accordance with RCW 64.38.020.

16 (2) "Baseline funding plan" means establishing a reserve funding
17 goal of maintaining a reserve account balance above zero dollars
18 throughout the thirty-year study period described under RCW
19 64.38.065.

20 (3) "Board of directors" or "board" means the body, regardless of
21 name, with primary authority to manage the affairs of the
22 association.

23 (4) "Common areas" means property owned, or otherwise maintained,
24 repaired or administered by the association.

25 (5) "Common expense" means the costs incurred by the association
26 to exercise any of the powers provided for in this chapter.

27 (6) "Contribution rate" means, in a reserve study as described in
28 RCW (~~64.34.380~~) 64.38.065, the amount contributed to the reserve
29 account so that the association will have cash reserves to pay major
30 maintenance, repair, or replacement costs without the need of a
31 special assessment.

32 (7) "Effective age" means the difference between the estimated
33 useful life and remaining useful life.

34 (8) "Full funding plan" means setting a reserve funding goal of
35 achieving one hundred percent fully funded reserves by the end of the
36 thirty-year study period described under RCW 64.38.065, in which the
37 reserve account balance equals the sum of the deteriorated portion of
38 all reserve components.

1 (9) "Fully funded balance" means the current value of the
2 deteriorated portion, not the total replacement value, of all the
3 reserve components. The fully funded balance for each reserve
4 component is calculated by multiplying the current replacement cost
5 of the reserve component by its effective age, then dividing the
6 result by the reserve component's useful life. The sum total of all
7 reserve components' fully funded balances is the association's fully
8 funded balance.

9 (10) "Governing documents" means the articles of incorporation,
10 bylaws, plat, declaration of covenants, conditions, and restrictions,
11 rules and regulations of the association, or other written instrument
12 by which the association has the authority to exercise any of the
13 powers provided for in this chapter or to manage, maintain, or
14 otherwise affect the property under its jurisdiction.

15 (11) "Homeowners' association" or "association" means a
16 corporation, unincorporated association, or other legal entity, each
17 member of which is an owner of residential real property located
18 within the association's jurisdiction, as described in the governing
19 documents, and by virtue of membership or ownership of property is
20 obligated to pay real property taxes, insurance premiums, maintenance
21 costs, or for improvement of real property other than that which is
22 owned by the member. "Homeowners' association" does not mean an
23 association created under chapter 64.32 or 64.34 RCW.

24 (12) "Lot" means a physical portion of the real property located
25 within an association's jurisdiction designated for separate
26 ownership.

27 (13) "Owner" means the owner of a lot, but does not include a
28 person who has an interest in a lot solely as security for an
29 obligation. "Owner" also means the vendee, not the vendor, of a lot
30 under a real estate contract.

31 (14) "Remaining useful life" means the estimated time, in years,
32 before a reserve component will require major maintenance, repair, or
33 replacement to perform its intended function.

34 (15) "Replacement cost" means the current cost of replacing,
35 repairing, or restoring a reserve component to its original
36 functional condition.

37 (16) "Reserve component" means a common element whose cost of
38 maintenance, repair, or replacement is infrequent, significant, and
39 impractical to include in an annual budget.

1 (17) "Reserve study professional" means an independent person who
2 is suitably qualified by knowledge, skill, experience, training, or
3 education to prepare a reserve study in accordance with RCW
4 (~~(64.34.380)~~) 64.38.065 and (~~(64.34.382)~~) 64.38.070.

5 (18) "Residential real property" means any real property, the use
6 of which is limited by law, covenant or otherwise to primarily
7 residential or recreational purposes.

8 (19) "Significant assets" means that the current replacement
9 value of the major reserve components is seventy-five percent or more
10 of the gross budget of the association, excluding the association's
11 reserve account funds.

12 (20) "Useful life" means the estimated time, between years, that
13 major maintenance, repair, or replacement is estimated to occur.

14 (21) "Electronic transmission" or "electronically transmitted"
15 means any electronic communication not directly involving the
16 physical transfer of a writing in a tangible medium, but that may be
17 retained, retrieved, and reviewed by the sender and the recipient of
18 the communication, and that may be directly reproduced in a tangible
19 medium by a sender and recipient.

20 (22) "Tangible medium" means a writing, copy of a writing,
21 facsimile, or a physical reproduction, each on paper or on other
22 tangible material.

23 **Sec. 10.** RCW 64.38.035 and 2014 c 20 s 1 are each amended to
24 read as follows:

25 (1) A meeting of the association must be held at least once each
26 year. Special meetings of the association may be called by the
27 president, a majority of the board of directors, or by owners having
28 ten percent of the votes in the association. The association must
29 make available to each owner of record for examination and copying
30 minutes from the previous association meeting not more than sixty
31 days after the meeting. Minutes of the previous association meeting
32 must be approved at the next association meeting in accordance with
33 the association's governing documents.

34 (2) Not less than fourteen nor more than (~~(sixty)~~) fifty days in
35 advance of any meeting of the association, the secretary or other
36 officers specified in the bylaws shall (~~(provide written)~~) cause
37 notice of the meeting to be provided to each owner (~~(of record by:~~

38 ~~(a) Hand-delivery to the mailing address of the owner or other~~
39 ~~address designated in writing by the owner;~~

1 ~~(b) Prepaid first-class United States mail to the mailing address~~
2 ~~of the owner or to any other mailing address designated in writing by~~
3 ~~the owner; or~~

4 ~~(c) Electronic transmission to an address, location, or system~~
5 ~~designated in writing by the owner. Notice to owners by an electronic~~
6 ~~transmission complies with this section only with respect to those~~
7 ~~owners who have delivered to the secretary or other officers~~
8 ~~specified in the bylaws a written record consenting to receive~~
9 ~~electronically transmitted notices. An owner who has consented to~~
10 ~~receipt of electronically transmitted notices may revoke the consent~~
11 ~~at any time by delivering a written record of the revocation to the~~
12 ~~secretary or other officer specified in the bylaws. Consent is deemed~~
13 ~~revoked if the secretary or other officer specified in the bylaws is~~
14 ~~unable to electronically transmit two consecutive notices given in~~
15 ~~accordance with the consent)) in accordance with this chapter.~~

16 (3) The notice of any meeting shall state the time and place of
17 the meeting and the business to be placed on the agenda by the board
18 of directors for a vote by the owners, including the general nature
19 of any proposed amendment to the articles of incorporation, bylaws,
20 any budget or changes in the previously approved budget that result
21 in a change in assessment obligation, and any proposal to remove a
22 director.

23 (4) Except as provided in this subsection, all meetings of the
24 board of directors shall be open for observation by all owners of
25 record and their authorized agents. The board of directors shall keep
26 minutes of all actions taken by the board, which shall be available
27 to all owners. Upon the affirmative vote in open meeting to assemble
28 in closed session, the board of directors may convene in closed
29 executive session to consider personnel matters; consult with legal
30 counsel or consider communications with legal counsel; and discuss
31 likely or pending litigation, matters involving possible violations
32 of the governing documents of the association, and matters involving
33 the possible liability of an owner to the association. The motion
34 shall state specifically the purpose for the closed session.
35 Reference to the motion and the stated purpose for the closed session
36 shall be included in the minutes. The board of directors shall
37 restrict the consideration of matters during the closed portions of
38 meetings only to those purposes specifically exempted and stated in
39 the motion. No motion, or other action adopted, passed, or agreed to
40 in closed session may become effective unless the board of directors,

1 following the closed session, reconvenes in open meeting and votes in
2 the open meeting on such motion, or other action which is reasonably
3 identified. The requirements of this subsection shall not require the
4 disclosure of information in violation of law or which is otherwise
5 exempt from disclosure.

6 (5) Except as otherwise restricted by the governing documents,
7 meetings of the association may be conducted by telephonic, video, or
8 other conferencing process, if: (a) The meeting notice states the
9 conferencing process to be used and provides information explaining
10 how owners may participate in the conference directly or by meeting
11 at a central location or conference connection; and (b) the process
12 provides all owners the opportunity to hear or perceive the
13 discussion and to comment.

14 NEW SECTION. Sec. 11. A new section is added to chapter 64.38
15 RCW to read as follows:

16 (1) Notwithstanding any inconsistent provision in the governing
17 documents, notice to the association of apartment owners, board, or
18 any apartment owner or occupant of an apartment under this chapter
19 shall be in writing and shall be provided to the recipient by
20 personal delivery, public or private mail or delivery service, or by
21 electronic transmission as provided in this section: PROVIDED, That
22 if this chapter requires different or additional notice requirements
23 for particular circumstances, those requirements shall apply.

24 (2) Notice in a tangible medium shall be provided as follows:

25 (a) Notice to the association or board shall be addressed to the
26 association's registered agent at its registered office, to the
27 association at its principal office shown in its most recent annual
28 report, or to an address provided by the association to the apartment
29 owners.

30 (b) Notice to a lot owner or occupant shall be addressed to the
31 lot address unless the owner has requested, in a writing delivered to
32 the association, that notices be sent to an alternate address.

33 (3) Notice in an electronic transmission shall be provided as
34 follows:

35 (a) Notice to the association, the board, or lot owners by
36 electronic transmission is effective only upon those who have
37 consented, in writing, to receive electronically transmitted notices
38 under this chapter and have designated the address, location, or
39 system to which such notices may be electronically transmitted,

1 provided that such notice otherwise complies with any other
2 requirements of this chapter and applicable law.

3 (b) Notice under this subsection includes any materials that
4 accompany the notice.

5 (c) Owners who have consented to receipt of electronically
6 transmitted notices may revoke this consent by delivering a
7 revocation to the association in writing.

8 (d) The consent of any lot owner is revoked if the association is
9 unable to electronically transmit two consecutive notices and this
10 inability becomes known to the secretary of the association of
11 apartment owners or any other person responsible for giving the
12 notice. The inadvertent failure by the association of apartment
13 owners to treat this inability as a revocation does not invalidate
14 any meeting or other action.

15 (e) Notice to lot owners who have consented to receipt of
16 electronically transmitted notices may be provided by posting the
17 notice on an electronic network and delivering to the owner separate
18 notice of the posting, together with comprehensible instructions
19 regarding how to obtain access to the posting on the electronic
20 network.

21 (4) Notice is effective as follows:

22 (a) Notice provided in a tangible medium is effective as of the
23 date of hand delivery, deposit with the carrier, or when sent by fax.

24 (b) Notice provided in an electronic transmission is effective as
25 of the date it:

26 (i) Is electronically transmitted to an address, location, or
27 system designated by the recipient for that purpose; or

28 (ii) Has been posted on an electronic network and separate notice
29 of the posting has been sent to the recipient containing instructions
30 regarding how to obtain access to the posting on the electronic
31 network.

32 (5) The ineffectiveness of a good faith effort to deliver notice
33 by an authorized means does not invalidate action taken at or without
34 a meeting.

35 (6) This chapter modifies, limits, and supersedes the federal
36 electronic signatures in global and national commerce act, 15 U.S.C.
37 Sec. 7001 et seq., but does not modify, limit, or supersede 15 U.S.C.
38 Sec. 7001(c) or authorize electronic delivery of any of the notices
39 described in 15 U.S.C. Sec. 7003(b).

1 NEW SECTION. **Sec. 12.** A new section is added to chapter 64.38

2 RCW to read as follows:

3 (1) Owners may vote at a meeting in person, by absentee ballot
4 pursuant to subsection (3)(d) of this section, or by a proxy pursuant
5 to subsection (5) of this section.

6 (2) When a vote is conducted without a meeting, owners may vote
7 by ballot pursuant to subsection (6) of this section.

8 (3) At a meeting of owners the following requirements apply:

9 (a) Owners or their proxies who are present in person may vote by
10 voice vote, show of hands, standing, written ballot, or any other
11 method for determining the votes of owners, as designated by the
12 person presiding at the meeting.

13 (b) If only one of several owners of a lot is present, that lot
14 owner is entitled to cast all the votes allocated to that lot. If
15 more than one of the lot owners are present, the votes allocated to
16 that lot may be cast only in accordance with the agreement of a
17 majority in interest of the lot owners, unless the declaration
18 expressly provides otherwise. There is a majority agreement if any
19 one of the lot owners casts the votes allocated to the lot without
20 protest being made promptly to the person presiding over the meeting
21 by any of the other lot owners of the lot.

22 (c) Unless a greater number or fraction of the votes in the
23 association is required under this chapter or the declaration or
24 organizational documents, a majority of the votes cast determines the
25 outcome of any action of the association.

26 (d) Whenever proposals or board members are to be voted upon at a
27 meeting, an owner may vote by duly executed absentee ballot if:

28 (i) The name of each candidate and the text of each proposal to
29 be voted upon are set forth in a writing accompanying or contained in
30 the notice of meeting; and

31 (ii) A ballot is provided by the association for such purpose.

32 (4) When an owner votes by absentee ballot, the association must
33 be able to verify that the ballot is cast by the owner having the
34 right to do so.

35 (5) Except as provided otherwise in the declaration or
36 organizational documents, the following requirements apply with
37 respect to proxy voting:

38 (a) Votes allocated to a lot may be cast pursuant to a directed
39 or undirected proxy duly executed by a lot owner in the same manner
40 as provided in RCW 24.06.110.

1 (b) If a lot is owned by more than one person, each lot owner of
2 the lot may vote or register protest to the casting of votes by the
3 other lot owners of the lot through a duly executed proxy.

4 (c) An owner may revoke a proxy given pursuant to this section
5 only by actual notice of revocation to the secretary or the person
6 presiding over a meeting of the association or by delivery of a
7 subsequent proxy. The death or disability of an owner does not revoke
8 a proxy given by the owner unless the person presiding over the
9 meeting has actual notice of the death or disability.

10 (d) A proxy is void if it is not dated or purports to be
11 revocable without notice.

12 (e) Unless stated otherwise in the proxy, a proxy terminates
13 eleven months after its date of issuance.

14 (6) Unless prohibited or limited by the declaration or
15 organizational documents, an association may conduct a vote without a
16 meeting. In that event, the following requirements apply:

17 (a) The association must notify the owners that the vote will be
18 taken by ballot.

19 (b) The notice must state:

20 (i) The time and date by which a ballot must be delivered to the
21 association to be counted, which may not be fewer than fourteen days
22 after the date of the notice, and which deadline may be extended in
23 accordance with (g) of this subsection;

24 (ii) The percent of votes necessary to meet the quorum
25 requirements;

26 (iii) The percent of votes necessary to approve each matter other
27 than election of board members; and

28 (iv) The time, date, and manner by which owners wishing to
29 deliver information to all owners regarding the subject of the vote
30 may do so.

31 (c) The association must deliver a ballot to every owner with the
32 notice.

33 (d) The ballot must set forth each proposed action and provide an
34 opportunity to vote for or against the action.

35 (e) A ballot cast pursuant to this section may be revoked only by
36 actual notice to the association of revocation. The death or
37 disability of an owner does not revoke a ballot unless the
38 association has actual notice of the death or disability prior to the
39 date set forth in (b) (i) of this subsection.

1 (f) Approval by ballot pursuant to this subsection is valid only
2 if the number of votes cast by ballot equals or exceeds the quorum
3 required to be present at a meeting authorizing the action.

4 (g) If the association does not receive a sufficient number of
5 votes to constitute a quorum or to approve the proposal by the date
6 and time established for return of ballots, the board may extend the
7 deadline for a reasonable period not to exceed eleven months upon
8 further notice to all members in accordance with (b) of this
9 subsection. In that event, all votes previously cast on the proposal
10 must be counted unless subsequently revoked as provided in this
11 section.

12 (h) A ballot or revocation is not effective until received by the
13 association.

14 (i) The association must give notice to owners of any action
15 taken pursuant to this subsection within a reasonable time after the
16 action is taken.

17 (j) When an action is taken pursuant to this subsection, a record
18 of the action, including the ballots or a report of the persons
19 appointed to tabulate such ballots, must be kept with the minutes of
20 meetings of the association.

21 (7) If the governing documents require that votes on specified
22 matters affecting the common interest community be cast by lessees
23 rather than owners of leased lots:

24 (a) This section applies to lessees as if they were owners;

25 (b) Owners that have leased their lots to other persons may not
26 cast votes on those specified matters; and

27 (c) Lessees are entitled to notice of meetings, access to
28 records, and other rights respecting those matters as if they were
29 owners.

30 (8) Owners must also be given notice, in the manner provided in
31 section 11 of this act, of all meetings at which lessees may be
32 entitled to vote.

33 (9) In any vote of the lot owners, votes allocated to a lot owned
34 by the association must be cast in the same proportion as the votes
35 cast on the matter by lot owners other than the association.

36 **Sec. 13.** RCW 64.90.445 and 2019 c 238 s 210 are each amended to
37 read as follows:

38 (1) The following requirements apply to unit owner meetings:

1 (a) A meeting of the association must be held at least once each
2 year. Failure to hold an annual meeting does not cause a forfeiture
3 or give cause for dissolution of the association and does not affect
4 otherwise valid association acts.

5 (b) (i) An association must hold a special meeting of unit owners
6 to address any matter affecting the common interest community or the
7 association if its president, a majority of the board, or unit owners
8 having at least twenty percent, or any lower percentage specified in
9 the organizational documents, of the votes in the association request
10 that the secretary call the meeting.

11 (ii) If the association does not provide notice to unit owners of
12 a special meeting within thirty days after the requisite number or
13 percentage of unit owners request the secretary to do so, the
14 requesting members may directly provide notice to all the unit owners
15 of the meeting. Only matters described in the meeting notice required
16 in (c) of this subsection may be considered at a special meeting.

17 (c) An association must provide notice to unit owners of the
18 time, date, and place of each annual and special unit owners meeting
19 not less than fourteen days and not more than fifty days before the
20 meeting date. Notice may be by any means described in RCW 64.90.515.
21 The notice of any meeting must state the time, date, and place of the
22 meeting and the items on the agenda, including:

23 (i) The text of any proposed amendment to the declaration or
24 organizational documents;

25 (ii) Any changes in the previously approved budget that result in
26 a change in the assessment obligations; and

27 (iii) Any proposal to remove a board member or officer.

28 (d) The minimum time to provide notice required in (c) of this
29 subsection may be reduced or waived for a meeting called to deal with
30 an emergency.

31 (e) Unit owners must be given a reasonable opportunity at any
32 meeting to comment regarding any matter affecting the common interest
33 community or the association.

34 (f) (~~The~~) Except as otherwise restricted by the declaration or
35 organizational documents (~~may allow for~~), meetings of unit owners
36 (~~to~~) may be conducted by telephonic, video, or other conferencing
37 process, if the process is consistent with subsection (2)(i) of this
38 section.

39 (2) The following requirements apply to meetings of the board and
40 committees authorized to act for the board:

1 (a) Meetings must be open to the unit owners except during
2 executive sessions, but the board may expel or prohibit attendance by
3 any person who, after warning by the chair of the meeting, disrupts
4 the meeting. The board and those committees may hold an executive
5 session only during a regular or special meeting of the board or a
6 committee. A final vote or action may not be taken during an
7 executive session.

8 (b) An executive session may be held only to:

9 (i) Consult with the association's attorney concerning legal
10 matters;

11 (ii) Discuss existing or potential litigation or mediation,
12 arbitration, or administrative proceedings;

13 (iii) Discuss labor or personnel matters;

14 (iv) Discuss contracts, leases, and other commercial transactions
15 to purchase or provide goods or services currently being negotiated,
16 including the review of bids or proposals, if premature general
17 knowledge of those matters would place the association at a
18 disadvantage; or

19 (v) Prevent public knowledge of the matter to be discussed if the
20 board or committee determines that public knowledge would violate the
21 privacy of any person.

22 (c) For purposes of this subsection, a gathering of members of
23 the board or committees at which the board or committee members do
24 not conduct association business is not a meeting of the board or
25 committee. Board members and committee members may not use incidental
26 or social gatherings to evade the open meeting requirements of this
27 subsection.

28 (d) During the period of declarant control, the board must meet
29 at least four times a year. At least one of those meetings must be
30 held at the common interest community or at a place convenient to the
31 community. After the transition meeting, all board meetings must be
32 at the common interest community or at a place convenient to the
33 common interest community unless the unit owners amend the bylaws to
34 vary the location of those meetings.

35 (e) At each board meeting, the board must provide a reasonable
36 opportunity for unit owners to comment regarding matters affecting
37 the common interest community and the association.

38 (f) Unless the meeting is included in a schedule given to the
39 unit owners or the meeting is called to deal with an emergency, the
40 secretary or other officer specified in the organizational documents

1 must provide notice of each board meeting to each board member and to
2 the unit owners. The notice must be given at least fourteen days
3 before the meeting and must state the time, date, place, and agenda
4 of the meeting.

5 (g) If any materials are distributed to the board before the
6 meeting, the board must make copies of those materials reasonably
7 available to the unit owners, except that the board need not make
8 available copies of unapproved minutes or materials that are to be
9 considered in executive session.

10 (h) Unless the organizational documents provide otherwise, fewer
11 than all board members may participate in a regular or special
12 meeting by or conduct a meeting through the use of any means of
13 communication by which all board members participating can hear each
14 other during the meeting. A board member participating in a meeting
15 by these means is deemed to be present in person at the meeting.

16 (i) Unless the organizational documents provide otherwise, the
17 board may meet by participation of all board members by telephonic,
18 video, or other conferencing process if:

19 (i) The meeting notice states the conferencing process to be used
20 and provides information explaining how unit owners may participate
21 in the conference directly or by meeting at a central location or
22 conference connection; and

23 (ii) The process provides all unit owners the opportunity to hear
24 or perceive the discussion and to comment as provided in (e) of this
25 subsection.

26 (j) After the transition meeting, unit owners may amend the
27 organizational documents to vary the procedures for meetings
28 described in (i) of this subsection.

29 (k) Instead of meeting, the board may act by unanimous consent as
30 documented in a record by all its members. Actions taken by unanimous
31 consent must be kept as a record of the association with the meeting
32 minutes. After the transition meeting, the board may act by unanimous
33 consent only to undertake ministerial actions, actions subject to
34 ratification by the unit owners, or to implement actions previously
35 taken at a meeting of the board.

36 (l) A board member who is present at a board meeting at which any
37 action is taken is presumed to have assented to the action taken
38 unless the board member's dissent or abstention to such action is
39 lodged with the person acting as the secretary of the meeting before
40 adjournment of the meeting or provided in a record to the secretary

1 of the association immediately after adjournment of the meeting. The
2 right to dissent or abstain does not apply to a board member who
3 voted in favor of such action at the meeting.

4 (m) A board member may not vote by proxy or absentee ballot.

5 (n) Even if an action by the board is not in compliance with this
6 section, it is valid unless set aside by a court. A challenge to the
7 validity of an action of the board for failure to comply with this
8 section may not be brought more than ninety days after the minutes of
9 the board of the meeting at which the action was taken are approved
10 or the record of that action is distributed to unit owners, whichever
11 is later.

12 (3) Minutes of all unit owner meetings and board meetings,
13 excluding executive sessions, must be maintained in a record. The
14 decision on each matter voted upon at a board meeting or unit owner
15 meeting must be recorded in the minutes."

16 Correct the title.

EFFECT: Removes redundant reference to unit owners. Restores the
requirement that a notice to mortgagees regarding unavailability of
required insurance be hand delivered or sent prepaid by first class
mail.

--- END ---