

March 27, 1997

BILL ANALYSIS

TO: Members, Committee on Trade and Economic Development

FROM: Kenny Pittman, Research Analyst (786-7392)

RE: **SB 5741 - Requiring a statement of permitted uses and use restrictions for condominiums.**

BACKGROUND:

The Washington Condominium Act was enacted by the Legislature in 1989. The Washington Condominium Act deals with the legal creation of condominium property, the management of condominiums and the protection of condominium purchasers.

Under the Washington Condominium Act, sellers are required to provide a detailed public offering statement to purchasers. The public offering statement includes, but is not limited to information on the developer of the condominium and management company, list of recent condominium projects of developer, type of interest being sold, permitted uses and use restrictions pertaining to the units, areas the purchaser will have responsibility for, and purchaser's right of first refusal to lease or purchase any unit or any of the common elements.

SUMMARY:

The public offering statement required under the Washington Condominium Act is revised to include a brief statement of permitted uses and use restrictions which pertain to both units and common elements remaining unsold at the time the interest in the property is offered for sale. The statement must also include a description of the rights reserved in the units and common elements by the seller.

The provision regarding express warranties is amended to clarify that the express warranty section is not a limitation on the seller's liability for misrepresentations or omissions from the public offering statement.

Appropriation: None.

Fiscal Note: Not requested.

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