S-	$\cap$	1	0	1	1
$\sim$ $-$	U	4	ದ	4	- 1

9

## SENATE BILL 5168

State of Washington 66th Legislature 2019 Regular Session

By Senators Hasegawa and Saldaña

- 1 AN ACT Relating to providing notice before certain enforcement
- 2 actions taken by a homeowners' or condominium association; and
- 3 amending RCW 64.38.020 and 64.34.304.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 64.38.020 and 1995 c 283 s 4 are each amended to 6 read as follows:
- 7 Unless otherwise provided in the governing documents, an 8 association may:
  - (1) Adopt and amend bylaws, rules, and regulations;
- 10 (2) Adopt and amend budgets for revenues, expenditures, and 11 reserves, and impose and collect assessments for common expenses from 12 owners;
- 13 (3) Hire and discharge or contract with managing agents and other 14 employees, agents, and independent contractors;
- 15 (4) Institute, defend, or intervene in litigation or 16 administrative proceedings in its own name on behalf of itself or two 17 or more owners on matters affecting the homeowners' association, but 18 not on behalf of owners involved in disputes that are not the 19 responsibility of the association;
- 20 (5) Make contracts and incur liabilities;

p. 1 SB 5168

- 1 (6) Regulate the use, maintenance, repair, replacement, and 2 modification of common areas;
- 3 (7) Cause additional improvements to be made as a part of the 4 common areas;

5

7

8

12

1314

1516

17

18

19

20

30

39

- (8) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property;
- (9) Grant easements, leases, licenses, and concessions through or over the common areas and petition for or consent to the vacation of streets and alleys;
- 10 (10) Impose and collect any payments, fees, or charges for the 11 use, rental, or operation of the common areas;
  - (11) Impose and collect charges for late payments of assessments and, after providing a forty-five day notice ((and an)) for a fair and impartial opportunity to be heard by the board of directors or by the representative designated by the board of directors and in accordance with the procedures as provided in the bylaws or rules and regulations adopted by the board of directors, levy reasonable fines in accordance with a previously established schedule adopted by the board of directors and furnished to the owners for violation of the bylaws, rules, and regulations of the association;
- 21 (12) Exercise any other powers conferred by the bylaws;
- 22 (13) Exercise all other powers that may be exercised in this 23 state by the same type of corporation as the association; and
- 24 (14) Exercise any other powers necessary and proper for the 25 governance and operation of the association.
- 26 **Sec. 2.** RCW 64.34.304 and 2008 c 115 s 9 are each amended to read as follows:
- 28 (1) Except as provided in subsection (2) of this section, and 29 subject to the provisions of the declaration, the association may:
  - (a) Adopt and amend bylaws, rules, and regulations;
- 31 (b) Adopt and amend budgets for revenues, expenditures, and 32 reserves, and impose and collect assessments for common expenses from 33 unit owners;
- 34 (c) Hire and discharge or contract with managing agents and other 35 employees, agents, and independent contractors;
- 36 (d) Institute, defend, or intervene in litigation or 37 administrative proceedings in its own name on behalf of itself or two 38 or more unit owners on matters affecting the condominium;
  - (e) Make contracts and incur liabilities;

p. 2 SB 5168

1 (f) Regulate the use, maintenance, repair, replacement, and 2 modification of common elements;

- (g) Cause additional improvements to be made as a part of the common elements;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, but common elements may be conveyed or subjected to a security interest only pursuant to RCW 64.34.348;
- (i) Grant easements, leases, licenses, and concessions through or over the common elements and petition for or consent to the vacation of streets and alleys;
- (j) Impose and collect any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements described in RCW 64.34.204 (2) and (4), and for services provided to unit owners;
- (k) Impose and collect charges for late payment of assessments pursuant to RCW 64.34.364(13) and, after providing a forty-five day notice ((and an)) for a fair and impartial opportunity to be heard by the board of directors or by such representative designated by the board of directors and in accordance with such procedures as provided in the declaration or bylaws or rules and regulations adopted by the board of directors, levy reasonable fines in accordance with a previously established schedule thereof adopted by the board of directors and furnished to the owners for violations of the declaration, bylaws, and rules and regulations of the association;
- (1) Impose and collect reasonable charges for the preparation and recording of amendments to the declaration, resale certificates required by RCW 64.34.425, and statements of unpaid assessments;
- (m) Provide for the indemnification of its officers and board of directors and maintain directors' and officers' liability insurance;
- (n) Assign its right to future income, including the right to receive common expense assessments, but only to the extent the declaration provides;
- (o) Join in a petition for the establishment of a parking and business improvement area, participate in the ratepayers' board or other advisory body set up by the legislative authority for operation of a parking and business improvement area, and pay special assessments levied by the legislative authority on a parking and business improvement area encompassing the condominium property for

p. 3 SB 5168

- 1 activities and projects which benefit the condominium directly or indirectly;
- 3 (p) Establish and administer a reserve account as described in 4 RCW 64.34.380;
  - (q) Prepare a reserve study as described in RCW 64.34.380;

5

8

9

12

13

14 15

- 6 (r) Exercise any other powers conferred by the declaration or 7 bylaws;
  - (s) Exercise all other powers that may be exercised in this state by the same type of corporation as the association; and
- 10 (t) Exercise any other powers necessary and proper for the 11 governance and operation of the association.
  - (2) The declaration may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

--- END ---

p. 4 SB 5168