
HOUSE BILL 1500

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69th Legislature

2025 Regular Session

By Representatives Reed, Entenman, Gregerson, Peterson, Fosse, Farivar, Doglio, Alvarado, Hill, Berry, Simmons, Ormsby, and Macri

Read first time 01/22/25. Referred to Committee on Housing.

1 AN ACT Relating to resale certificates for units in common
2 interest communities; and amending RCW 64.90.640.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 64.90.640 and 2024 c 321 s 329 are each amended to
5 read as follows:

6 (1) Except in the case of a sale when delivery of a public
7 offering statement is required, or unless exempt under RCW
8 64.90.600(2), a unit owner must furnish to a purchaser before
9 execution of any contract for sale of a unit, or otherwise before
10 conveyance, a resale certificate, signed by an officer or authorized
11 agent of the association and based on the books and records of the
12 association and the actual knowledge of the person signing the
13 certificate, containing all of the following and the statement "NONE"
14 or "RECORDS UNAVAILABLE" for each category of records that is not
15 provided:

16 (a) A statement disclosing any right of first refusal or other
17 restraint on the free alienability of the unit contained in the
18 declaration;

19 (b) With respect to the selling unit owner's unit, a statement
20 setting forth the amount of any assessment currently due, any

1 delinquent assessments, and a statement of any special assessments
2 that have been levied and have not been paid even though not yet due;

3 (c) A statement, which must be current to within 45 days, of any
4 assessments against any unit in the condominium that are past due
5 over 30 days;

6 (d) A statement, which must be current to within 45 days, of any
7 monetary obligation of the association that is past due over 30 days;

8 (e) A statement of any other fees payable to the association by
9 unit owners;

10 (f) A statement of any expenditure or anticipated repair or
11 replacement cost reasonably anticipated to be in excess of five
12 percent of the board-approved annual budget of the association,
13 regardless of whether the unit owners are entitled to approve such
14 cost;

15 (g) A statement whether the association does or does not have a
16 reserve study prepared in accordance with RCW 64.90.545 and
17 64.90.550;

18 (h) The annual financial statement of the association, including
19 the ~~((audit report if it has been prepared, for the year immediately~~
20 ~~preceding the current year)) most recent final financial audit report~~
21 available and the current draft of a more recent report if available;

22 (i) The most recent balance sheet and revenue and expense
23 statement, if any, of the association;

24 (j) The current operating budget of the association;

25 (k) A statement of any unsatisfied judgments against the
26 association and the status of any legal actions in which the
27 association is a party or a claimant as defined in RCW 64.50.010;

28 (l) A statement describing any insurance coverage carried by the
29 association and contact information for the association's insurance
30 broker or agent;

31 (m) A statement as to whether the board has given or received
32 notice in a record that any existing uses, occupancies, alterations,
33 or improvements in or to the seller's unit or to the limited common
34 elements allocated to the unit violate any provision of the governing
35 documents;

36 (n) A statement of the number of units, if any, still owned by
37 the declarant, whether the declarant has transferred control of the
38 association to the unit owners, and the date of such transfer;

39 (o) A statement as to whether the board has received notice in a
40 record from a governmental agency of any violation of environmental,

1 health, or building codes with respect to the seller's unit, the
2 limited common elements allocated to that unit, or any other portion
3 of the common interest community that has not been cured;

4 (p) A statement of the remaining term of any leasehold estate
5 affecting the common interest community and the provisions governing
6 any extension or renewal of the leasehold estate;

7 (q) A statement of any restrictions in the declaration affecting
8 the amount that may be received by a unit owner upon sale;

9 (r) In a cooperative, an accountant's statement, if any was
10 prepared, as to the deductibility for federal income tax purposes by
11 the unit owner of real estate taxes and interest paid by the
12 association;

13 (s) A statement describing any pending sale or encumbrance of
14 common elements;

15 (t) A statement disclosing the effect on the unit to be conveyed
16 of any restriction on the right to use or occupy the unit, including
17 a restriction on a lease or other rental of the unit;

18 (u) A copy of the declaration, the organizational documents, the
19 rules or regulations of the association, all policies, procedures,
20 and resolutions approved by the board that are currently in effect,
21 the minutes of board meetings and association meetings, except for
22 any information exempt from disclosure under RCW 64.90.495(3), for
23 the last 12 months, (~~a summary of~~) the most current final reserve
24 study for the association, the most recent draft of a newer reserve
25 study if available, and any other information reasonably requested by
26 mortgagees of prospective purchasers of units. Information requested
27 generally by the federal national mortgage association, the federal
28 home loan bank board, the government national mortgage association,
29 the veterans administration, or the department of housing and urban
30 development is deemed reasonable if the information is reasonably
31 available to the association;

32 (v) A statement whether the units or common elements of the
33 common interest community are covered by a qualified warranty under
34 chapter 64.35 RCW and, if so, a history of claims known to the
35 association as having been made under any such warranty;

36 (w) A description of any age-related occupancy restrictions
37 affecting the common interest community;

38 (x) A statement describing any requirements related to electric
39 vehicle charging stations located in the unit or the limited common
40 elements allocated to the unit, including application status,

1 insurance information, maintenance responsibilities, and any
2 associated costs;

3 (y) If the association does not have a reserve study that has
4 been prepared in accordance with RCW 64.90.545 and 64.90.550 or its
5 governing documents, the following disclosure:

6 "This association does not have a current reserve study. The lack
7 of a current reserve study poses certain risks to you, the purchaser.
8 Insufficient reserves may, under some circumstances, require you to
9 pay on demand as a special assessment your share of common expenses
10 for the cost of major maintenance, repair, or replacement of a common
11 element."; and

12 (z) The resale certificate must include a notice in substantially
13 the following form and in conspicuous type:

14 "THIS UNIT IS LOCATED WITHIN A COMMON INTEREST COMMUNITY
15 AND IS SUBJECT TO THE DECLARATION, BYLAWS, RULES, AND
16 OTHER WRITTEN INSTRUMENTS GRANTING AUTHORITY TO THE
17 ASSOCIATION AS ADOPTED (THE "GOVERNING DOCUMENTS").

18 THE PURCHASER OF THIS UNIT WILL BE REQUIRED TO BE A
19 MEMBER OF THE ASSOCIATION AND WILL BE SUBJECT TO THE
20 GOVERNING DOCUMENTS.

21 THE GOVERNING DOCUMENTS WILL IMPOSE FINANCIAL OBLIGATIONS
22 UPON THE OWNER OF THE UNIT, INCLUDING AN OBLIGATION TO
23 PAY ASSESSMENTS TO THE ASSOCIATION WHICH MAY INCLUDE
24 REGULAR AND SPECIAL ASSESSMENTS, FINES, FEES, INTEREST,
25 LATE CHARGES, AND COSTS OF COLLECTION, INCLUDING
26 REASONABLE ATTORNEYS' FEES.

27 THE ASSOCIATION HAS A STATUTORY LIEN ON EACH INDIVIDUAL
28 UNIT FOR ANY UNPAID ASSESSMENT FROM THE TIME IT IS DUE.
29 FAILURE TO PAY ASSESSMENTS COULD RESULT IN THE FILING OF
30 A LIEN ON THE UNIT AND LOSS OF THE UNIT THROUGH
31 FORECLOSURE.

32 THE GOVERNING DOCUMENTS MAY PROHIBIT OWNERS FROM MAKING
33 CHANGES TO THE UNIT WITHOUT REVIEW AND THE APPROVAL OF
34 THE ASSOCIATION, AND MAY ALSO IMPOSE RESTRICTIONS ON THE
35 USE OF (~~(THE)~~) THE UNIT, DISPLAY OF SIGNS, CERTAIN
36 BEHAVIORS, AND OTHER ITEMS.

37 PURCHASERS OF THIS UNIT SHOULD CAREFULLY REVIEW THE
38 FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION, THE
39 CURRENT STATE OF THE ASSOCIATION'S FINANCES, THE CURRENT
40 RESERVE STUDY, IF ANY, THE GOVERNING DOCUMENTS, AND THE

1 OTHER INFORMATION AVAILABLE IN THE RESALE CERTIFICATE.
2 THE GOVERNING DOCUMENTS CONTAIN IMPORTANT INFORMATION AND
3 CREATE BINDING LEGAL OBLIGATIONS. YOU SHOULD CONSIDER
4 SEEKING THE ASSISTANCE OF LEGAL COUNSEL."

5 (2) (a) The association, within 10 days after a request by a unit
6 owner, and subject to the payment of any fees imposed pursuant to RCW
7 64.90.405(2)(m), must furnish a resale certificate signed by an
8 officer or authorized agent of the association and containing the
9 information necessary to enable the unit owner to comply with this
10 section.

11 (b) For the purposes of this chapter, a reasonable charge to the
12 owner for the preparation of a resale certificate may not exceed
13 \$275, covering the direct out-of-pocket cost of copying and providing
14 such information, and may not include any additional charges for
15 providing documents that are maintained in electronic form on a
16 website, web portal, or application available to unit owners.
17 However, an association may charge an additional \$100 for a rush
18 service that must be completed within 72 hours of submission of a
19 resale certificate request. The association may also charge a unit
20 owner a nominal fee not to exceed \$100 for updating a resale
21 certificate within six months of the unit owner's previous resale
22 certificate request.

23 (c) An association may not require a unit owner to contract with
24 or establish an account with a third party in order to provide
25 payment for or accept delivery of a resale certificate required to be
26 furnished under (a) of this subsection.

27 (d) Fees for copying and providing documents required by this
28 section must be distinguished from, separately stated from, and
29 separately billed from, all other fees, fines, or assessments.

30 (e) A unit owner is not liable to the purchaser for any erroneous
31 information provided by the association and included in the
32 certificate.

33 (3) A unit owner possessing current copies in electronic form of
34 any documents specified by this section must provide them to a
35 purchaser via electronic transmission at no cost.

36 (4)(a) A purchaser is not liable for any of the following:

37 (i) Any unpaid assessment or fee greater than the amount set
38 forth in the certificate prepared by the association; and

39 (ii) Any violation of the governing documents created by any
40 alteration to a unit that, in the exercise of reasonable diligence,

1 should have been known to the association or its authorized agent at
2 the time of conveyance, but was not identified in the resale
3 certificate.

4 ~~(b) ((A unit owner is not liable to a purchaser for the failure~~
5 ~~or delay of the association to provide the certificate in a timely~~
6 ~~manner, but the purchase contract is voidable by the purchaser until~~
7 ~~the certificate has been provided and for five days thereafter or~~
8 ~~until conveyance, whichever occurs first.))~~ The purchaser may cancel
9 a contract for the purchase of the unit within five days after first
10 receiving the resale certificate. If the resale certificate is first
11 provided to a purchaser more than five days before execution of a
12 contract for the purchase of a unit, the purchaser does not have the
13 right under this section to cancel the executed contract. If the
14 resale certificate is first provided to a purchaser five days or less
15 before the purchaser signs a contract for the purchase of a unit, the
16 purchaser, before conveyance of the unit to the purchaser, may cancel
17 the contract by delivering, no later than the fifth day after first
18 receiving the resale certificate, a notice of cancellation to the
19 seller. If the resale certificate is first provided to a purchaser
20 less than five days before the closing date for the conveyance of
21 that unit, the purchaser may, before conveyance of the unit to the
22 purchaser, extend the closing date to a date not more than five days
23 after the purchaser first received the resale certificate.

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