

SENATE BILL REPORT

SCR 8423

As of March 08, 2006

Brief Description: Creating a homeowners' association act committee.

Sponsors: Senator Fairley.

Brief History:

Committee Activity: Financial Institutions, Housing & Consumer Protection:

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

Staff: Jennifer Arnold (786-7471)

Background: Homeowners' associations are a rapidly growing form of housing in Washington State. As such, it is believed that there is a growing need to have state laws to provide guidance and clarification in regards to the operations of homeowners' associations.

Currently, homeowners' associations are primarily controlled by their own governing documents, which include, among other documents, an association's articles of incorporation, by-laws, and covenants, conditions, and restrictions. However, the Homeowners' Association Act and any applicable business entity statutes also apply to homeowners' associations.

It is believed that current law governing homeowners' associations needs to be reviewed to more adequately address the concerns of both homeowners' association boards and non-board members.

Summary of Bill: The Homeowners' Association Act committee is created for the purpose of reviewing existing statutes and current issues affecting homeowners' associations. In particular, the committee will review the process for amending association governing documents, alternative dispute resolution mechanisms, the budget ratification process, potential conflicts between existing statutes, and the process in which liens are placed on property for unpaid dues, among other concerns.

A report on the committee's recommendations must be developed and submitted to the Legislature by September 1, 2007

The committee will consist of ten members: one member from each of the Senate and House, two members who are homeowners' association members that are not serving on the board of a homeowners' association, homeowner association representatives, a residential development industry representative, and attorneys experienced in representing the interests of both homeowners' associations and homeowners. Only legislative members will be reimbursed for travel expenses.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: Yes.