

SHB 1043 - S COMM AMD

By Committee on Law & Justice

ADOPTED 04/11/2023

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

3 **"Sec. 1.** RCW 64.32.170 and 1965 ex.s. c 11 s 5 are each amended
4 to read as follows:

5 ~~((The manager or board of directors, as the case may be, shall
6 keep complete and accurate books and records of the receipts and
7 expenditures affecting the common areas and facilities, specifying
8 and itemizing the maintenance and repair expenses of the common areas
9 and facilities and any other expenses incurred. Such books and
10 records and the vouchers authorizing payments shall be available for
11 examination by the apartment owners, their agents or attorneys, at
12 any reasonable time or times.))~~ (1) An association of apartment
13 owners must retain the following:

14 (a) The current budget, detailed records of receipts and
15 expenditures affecting the operation and administration of the
16 association, and other appropriate accounting records within the last
17 seven years;

18 (b) Minutes of all meetings of its apartment owners and board
19 other than executive sessions, a record of all actions taken by the
20 apartment owners or board without a meeting, and a record of all
21 actions taken by a committee in place of the board on behalf of the
22 association;

23 (c) The names of current apartment owners, addresses used by the
24 association to communicate with them, and the number of votes
25 allocated to each apartment;

26 (d) Its original or restated declaration, organizational
27 documents, all amendments to the declaration and organizational
28 documents, and all rules currently in effect;

29 (e) All financial statements and tax returns of the association
30 for the past seven years;

31 (f) A list of the names and addresses of its current board
32 members and officers;

1 (g) Its most recent annual report delivered to the secretary of
2 state, if any;

3 (h) Copies of contracts to which it is or was a party within the
4 last seven years;

5 (i) Materials relied upon by the board or any committee to
6 approve or deny any requests for design or architectural approval for
7 a period of seven years after the decision is made;

8 (j) Materials relied upon by the board or any committee
9 concerning a decision to enforce the governing documents for a period
10 of seven years after the decision is made;

11 (k) Copies of insurance policies under which the association is a
12 named insured;

13 (l) Any current warranties provided to the association;

14 (m) Copies of all notices provided to apartment owners or the
15 association in accordance with this chapter or the governing
16 documents; and

17 (n) Ballots, proxies, absentee ballots, and other records related
18 to voting by apartment owners for one year after the election,
19 action, or vote to which they relate.

20 (2)(a) Subject to subsections (3) through (5) of this section,
21 and except as provided in (b) of this subsection, all records
22 required to be retained by an association of apartment owners must be
23 made available for examination and copying by all apartment owners,
24 holders of mortgages on the apartments, and their respective
25 authorized agents as follows, unless agreed otherwise:

26 (i) During reasonable business hours or at a mutually convenient
27 time and location; and

28 (ii) At the offices of the association or its managing agent.

29 (b) The list of apartment owners required to be retained by an
30 association under subsection (1)(c) of this section is not required
31 to be made available for examination and copying by holders of
32 mortgages on the apartments.

33 (3) Records retained by an association of apartment owners must
34 have the following information redacted or otherwise removed prior to
35 disclosure:

36 (a) Personnel and medical records relating to specific
37 individuals;

38 (b) Contracts, leases, and other commercial transactions to
39 purchase or provide goods or services currently being negotiated;

1 (c) Existing or potential litigation or mediation, arbitration,
2 or administrative proceedings;

3 (d) Existing or potential matters involving federal, state, or
4 local administrative or other formal proceedings before a
5 governmental tribunal for enforcement of the governing documents;

6 (e) Legal advice or communications that are otherwise protected
7 by the attorney-client privilege or the attorney work product
8 doctrine, including communications with the managing agent or other
9 agent of the association;

10 (f) Information the disclosure of which would violate a court
11 order or law;

12 (g) Records of an executive session of the board;

13 (h) Individual apartment files other than those of the requesting
14 apartment owner;

15 (i) Unlisted telephone number or electronic address of any
16 apartment owner or resident;

17 (j) Security access information provided to the association for
18 emergency purposes; or

19 (k) Agreements that for good cause prohibit disclosure to the
20 members.

21 (4) In addition to the requirements in subsection (3) of this
22 section, an association of apartment owners must, prior to disclosure
23 of the list of apartment owners required to be retained by an
24 association under subsection (1)(c) of this section, redact or
25 otherwise remove the address of any apartment owner or resident who
26 is known to the association to be a participant in the address
27 confidentiality program described in chapter 40.24 RCW or any similar
28 program established by law.

29 (5)(a) Except as provided in (b) of this subsection, an
30 association of apartment owners may charge a reasonable fee for
31 producing and providing copies of any records under this section and
32 for supervising the apartment owner's inspection.

33 (b) An apartment owner is entitled to receive a free annual
34 electronic or paper copy of the list retained under subsection (1)(c)
35 of this section from the association.

36 (6) A right to copy records under this section includes the right
37 to receive copies by photocopying or other means, including through
38 an electronic transmission if available upon request by the apartment
39 owner.

1 (7) An association of apartment owners is not obligated to
2 compile or synthesize information.

3 (8) Information provided pursuant to this section may not be used
4 for commercial purposes.

5 (9) An association of apartment owner's managing agent must
6 deliver all of the association's original books and records to the
7 association immediately upon termination of its management
8 relationship with the association, or upon such other demand as is
9 made by the board. An association managing agent may keep copies of
10 the association records at its own expense.

11 (10) All books and records shall be kept in accordance with good
12 accounting procedures and be audited at least once a year by an
13 auditor outside of the organization.

14 (11) This section applies to records in the possession of the
15 association on the effective date of this section, and to records
16 created or maintained after the effective date of this section. An
17 association has no liability under this section for records disposed
18 of prior to the effective date of this section.

19 **Sec. 2.** RCW 64.34.372 and 1992 c 220 s 19 are each amended to
20 read as follows:

21 (1) The association shall keep financial records sufficiently
22 detailed to enable the association to comply with RCW 64.34.425. All
23 financial and other records of the association, including but not
24 limited to checks, bank records, and invoices, are the property of
25 the association(~~(, but shall be made reasonably available for~~
26 ~~examination and copying by the manager of the association, any unit~~
27 ~~owner, or the owner's authorized agents)). At least annually, the~~
28 association shall prepare, or cause to be prepared, a financial
29 statement of the association in accordance with generally accepted
30 accounting principles. The financial statements of condominiums
31 consisting of ~~((fifty))~~ 50 or more units shall be audited at least
32 annually by a certified public accountant. In the case of a
33 condominium consisting of fewer than ~~((fifty))~~ 50 units, an annual
34 audit is also required but may be waived annually by unit owners
35 other than the declarant of units to which ~~((sixty))~~ 60 percent of
36 the votes are allocated, excluding the votes allocated to units owned
37 by the declarant.

38 (2) The funds of an association shall be kept in accounts in the
39 name of the association and shall not be commingled with the funds of

1 any other association, nor with the funds of any manager of the
2 association or any other person responsible for the custody of such
3 funds. Any reserve funds of an association shall be kept in a
4 segregated account and any transaction affecting such funds,
5 including the issuance of checks, shall require the signature of at
6 least two persons who are officers or directors of the association.

7 (3) An association must retain the following:

8 (a) The current budget, detailed records of receipts and
9 expenditures affecting the operation and administration of the
10 association, and other appropriate accounting records within the last
11 seven years;

12 (b) Minutes of all meetings of its unit owners and board other
13 than executive sessions, a record of all actions taken by the unit
14 owners or board without a meeting, and a record of all actions taken
15 by a committee in place of the board on behalf of the association;

16 (c) The names of current unit owners, addresses used by the
17 association to communicate with them, and the number of votes
18 allocated to each unit;

19 (d) Its original or restated declaration, organizational
20 documents, all amendments to the declaration and organizational
21 documents, and all rules currently in effect;

22 (e) All financial statements and tax returns of the association
23 for the past seven years;

24 (f) A list of the names and addresses of its current board
25 members and officers;

26 (g) Its most recent annual report delivered to the secretary of
27 state, if any;

28 (h) Copies of contracts to which it is or was a party within the
29 last seven years;

30 (i) Materials relied upon by the board or any committee to
31 approve or deny any requests for design or architectural approval for
32 a period of seven years after the decision is made;

33 (j) Materials relied upon by the board or any committee
34 concerning a decision to enforce the governing documents for a period
35 of seven years after the decision is made;

36 (k) Copies of insurance policies under which the association is a
37 named insured;

38 (l) Any current warranties provided to the association;

1 (m) Copies of all notices provided to unit owners or the
2 association in accordance with this chapter or the governing
3 documents; and

4 (n) Ballots, proxies, absentee ballots, and other records related
5 to voting by unit owners for one year after the election, action, or
6 vote to which they relate.

7 (4) (a) Subject to subsections (5) through (7) of this section,
8 and except as provided in (b) of this subsection, all records
9 required to be retained by an association must be made available for
10 examination and copying by all unit owners, holders of mortgages on
11 the units, and their respective authorized agents as follows, unless
12 agreed otherwise:

13 (i) During reasonable business hours or at a mutually convenient
14 time and location; and

15 (ii) At the offices of the association or its managing agent.

16 (b) The list of unit owners required to be retained by an
17 association under subsection (3) (c) of this section is not required
18 to be made available for examination and copying by holders of
19 mortgages on the units.

20 (5) Records retained by an association must have the following
21 information redacted or otherwise removed prior to disclosure:

22 (a) Personnel and medical records relating to specific
23 individuals;

24 (b) Contracts, leases, and other commercial transactions to
25 purchase or provide goods or services currently being negotiated;

26 (c) Existing or potential litigation or mediation, arbitration,
27 or administrative proceedings;

28 (d) Existing or potential matters involving federal, state, or
29 local administrative or other formal proceedings before a
30 governmental tribunal for enforcement of the governing documents;

31 (e) Legal advice or communications that are otherwise protected
32 by the attorney-client privilege or the attorney work product
33 doctrine, including communications with the managing agent or other
34 agent of the association;

35 (f) Information the disclosure of which would violate a court
36 order or law;

37 (g) Records of an executive session of the board;

38 (h) Individual unit files other than those of the requesting unit
39 owner;

1 (i) Unlisted telephone number or electronic address of any unit
2 owner or resident;

3 (j) Security access information provided to the association for
4 emergency purposes; or

5 (k) Agreements that for good cause prohibit disclosure to the
6 members.

7 (6) In addition to the requirements in subsection (5) of this
8 section, an association must, prior to disclosure of the list of unit
9 owners required to be retained by an association under subsection
10 (3)(c) of this section, redact or otherwise remove the address of any
11 unit owner or resident who is known to the association to be a
12 participant in the address confidentiality program described in
13 chapter 40.24 RCW or any similar program established by law.

14 (7)(a) Except as provided in (b) of this subsection, an
15 association may charge a reasonable fee for producing and providing
16 copies of any records under this section and for supervising the unit
17 owner's inspection.

18 (b) A unit owner is entitled to receive a free annual electronic
19 or paper copy of the list retained under subsection (3)(c) of this
20 section from the association.

21 (8) A right to copy records under this section includes the right
22 to receive copies by photocopying or other means, including through
23 an electronic transmission if available upon request by the unit
24 owner.

25 (9) An association is not obligated to compile or synthesize
26 information.

27 (10) Information provided pursuant to this section may not be
28 used for commercial purposes.

29 (11) An association's managing agent must deliver all of the
30 association's original books and records to the association
31 immediately upon termination of its management relationship with the
32 association, or upon such other demand as is made by the board. An
33 association managing agent may keep copies of the association records
34 at its own expense.

35 (12) This section applies to records in the possession of the
36 association on the effective date of this section, and to records
37 created or maintained after the effective date of this section. An
38 association has no liability under this section for records disposed
39 of prior to the effective date of this section.

1 **Sec. 3.** RCW 64.38.045 and 1995 c 283 s 9 are each amended to
2 read as follows:

3 (1) The association or its managing agent shall keep financial
4 and other records sufficiently detailed to enable the association to
5 fully declare to each owner the true statement of its financial
6 status. All financial and other records of the association, including
7 but not limited to checks, bank records, and invoices, in whatever
8 form they are kept, are the property of the association. Each
9 association managing agent shall turn over all original books and
10 records to the association immediately upon termination of the
11 management relationship with the association, or upon such other
12 demand as is made by the board of directors. An association managing
13 agent is entitled to keep copies of association records. All records
14 which the managing agent has turned over to the association shall be
15 made reasonably available for the examination and copying by the
16 managing agent.

17 (2) ~~((All records of the association, including the names and
18 addresses of owners and other occupants of the lots, shall be
19 available for examination by all owners, holders of mortgages on the
20 lots, and their respective authorized agents on reasonable advance
21 notice during normal working hours at the offices of the association
22 or its managing agent. The association shall not release the unlisted
23 telephone number of any owner. The association may impose and collect
24 a reasonable charge for copies and any reasonable costs incurred by
25 the association in providing access to records.~~

26 ~~(3))~~ At least annually, the association shall prepare, or cause
27 to be prepared, a financial statement of the association. The
28 financial statements of associations with annual assessments of
29 ~~((fifty thousand dollars))~~ \$50,000 or more shall be audited at least
30 annually by an independent certified public accountant, but the audit
31 may be waived if ~~((sixty-seven))~~ 67 percent of the votes cast by
32 owners, in person or by proxy, at a meeting of the association at
33 which a quorum is present, vote each year to waive the audit.

34 ~~((4))~~ (3) The funds of the association shall be kept in
35 accounts in the name of the association and shall not be commingled
36 with the funds of any other association, nor with the funds of any
37 manager of the association or any other person responsible for the
38 custody of such funds.

39 (4) An association must retain the following:

1 (a) The current budget, detailed records of receipts and
2 expenditures affecting the operation and administration of the
3 association, and other appropriate accounting records within the last
4 seven years;

5 (b) Minutes of all meetings of its owners and board other than
6 executive sessions, a record of all actions taken by the owners or
7 board without a meeting, and a record of all actions taken by a
8 committee in place of the board on behalf of the association;

9 (c) The names of current owners, addresses used by the
10 association to communicate with them, and the number of votes
11 allocated to each lot;

12 (d) Its original or restated declaration, organizational
13 documents, all amendments to the declaration and organizational
14 documents, and all rules currently in effect;

15 (e) All financial statements and tax returns of the association
16 for the past seven years;

17 (f) A list of the names and addresses of its current board
18 members and officers;

19 (g) Its most recent annual report delivered to the secretary of
20 state, if any;

21 (h) Copies of contracts to which it is or was a party within the
22 last seven years;

23 (i) Materials relied upon by the board or any committee to
24 approve or deny any requests for design or architectural approval for
25 a period of seven years after the decision is made;

26 (j) Materials relied upon by the board or any committee
27 concerning a decision to enforce the governing documents for a period
28 of seven years after the decision is made;

29 (k) Copies of insurance policies under which the association is a
30 named insured;

31 (l) Any current warranties provided to the association;

32 (m) Copies of all notices provided to owners or the association
33 in accordance with this chapter or the governing documents; and

34 (n) Ballots, proxies, absentee ballots, and other records related
35 to voting by owners for one year after the election, action, or vote
36 to which they relate.

37 (5) (a) Subject to subsections (6) through (8) of this section,
38 and except as provided in (b) of this subsection, all records
39 required to be retained by an association must be made available for
40 examination and copying by all owners, holders of mortgages on the

1 lots, and their respective authorized agents as follows, unless
2 agreed otherwise:

3 (i) During reasonable business hours or at a mutually convenient
4 time and location; and

5 (ii) At the offices of the association or its managing agent.

6 (b) The list of owners required to be retained by an association
7 under subsection (4)(c) of this section is not required to be made
8 available for examination and copying by holders of mortgages on the
9 lots.

10 (6) Records retained by an association must have the following
11 information redacted or otherwise removed prior to disclosure:

12 (a) Personnel and medical records relating to specific
13 individuals;

14 (b) Contracts, leases, and other commercial transactions to
15 purchase or provide goods or services currently being negotiated;

16 (c) Existing or potential litigation or mediation, arbitration,
17 or administrative proceedings;

18 (d) Existing or potential matters involving federal, state, or
19 local administrative or other formal proceedings before a
20 governmental tribunal for enforcement of the governing documents;

21 (e) Legal advice or communications that are otherwise protected
22 by the attorney-client privilege or the attorney work product
23 doctrine, including communications with the managing agent or other
24 agent of the association;

25 (f) Information the disclosure of which would violate a court
26 order or law;

27 (g) Records of an executive session of the board;

28 (h) Individual lot files other than those of the requesting
29 owner;

30 (i) Unlisted telephone number or electronic address of any owner
31 or resident;

32 (j) Security access information provided to the association for
33 emergency purposes; or

34 (k) Agreements that for good cause prohibit disclosure to the
35 members.

36 (7) In addition to the requirements in subsection (6) of this
37 section, an association must, prior to disclosure of the list of
38 owners required to be retained by an association under subsection
39 (4)(c) of this section, redact or otherwise remove the address of any
40 owner or resident who is known to the association to be a participant

1 in the address confidentiality program described in chapter 40.24 RCW
2 or any similar program established by law.

3 (8) (a) Except as provided in (b) of this subsection, an
4 association may charge a reasonable fee for producing and providing
5 copies of any records under this section and for supervising the
6 owner's inspection.

7 (b) An owner is entitled to receive a free annual electronic or
8 paper copy of the list retained under subsection (4)(c) of this
9 section from the association.

10 (9) A right to copy records under this section includes the right
11 to receive copies by photocopying or other means, including through
12 an electronic transmission if available upon request by the owner.

13 (10) An association is not obligated to compile or synthesize
14 information.

15 (11) Information provided pursuant to this section may not be
16 used for commercial purposes.

17 (12) An association's managing agent must deliver all of the
18 association's original books and records to the association
19 immediately upon termination of its management relationship with the
20 association, or upon such other demand as is made by the board. An
21 association managing agent may keep copies of the association records
22 at its own expense.

23 (13) This section applies to records in the possession of the
24 association on the effective date of this section, and to records
25 created or maintained after the effective date of this section. An
26 association has no liability under this section for records disposed
27 of prior to the effective date of this section.

28 **Sec. 4.** RCW 64.90.495 and 2018 c 277 s 320 are each amended to
29 read as follows:

30 (1) An association must retain the following:

31 (a) The current budget, detailed records of receipts and
32 expenditures affecting the operation and administration of the
33 association, and other appropriate accounting records within the last
34 seven years;

35 (b) Minutes of all meetings of its unit owners and board other
36 than executive sessions, a record of all actions taken by the unit
37 owners or board without a meeting, and a record of all actions taken
38 by a committee in place of the board on behalf of the association;

- 1 (c) The names of current unit owners, addresses used by the
2 association to communicate with them, and the number of votes
3 allocated to each unit;
- 4 (d) Its original or restated declaration, organizational
5 documents, all amendments to the declaration and organizational
6 documents, and all rules currently in effect;
- 7 (e) All financial statements and tax returns of the association
8 for the past seven years;
- 9 (f) A list of the names and addresses of its current board
10 members and officers;
- 11 (g) Its most recent annual report delivered to the secretary of
12 state, if any;
- 13 (h) Financial and other records sufficiently detailed to enable
14 the association to comply with RCW 64.90.640;
- 15 (i) Copies of contracts to which it is or was a party within the
16 last seven years;
- 17 (j) Materials relied upon by the board or any committee to
18 approve or deny any requests for design or architectural approval for
19 a period of seven years after the decision is made;
- 20 (k) Materials relied upon by the board or any committee
21 concerning a decision to enforce the governing documents for a period
22 of seven years after the decision is made;
- 23 (l) Copies of insurance policies under which the association is a
24 named insured;
- 25 (m) Any current warranties provided to the association;
- 26 (n) Copies of all notices provided to unit owners or the
27 association in accordance with this chapter or the governing
28 documents; and
- 29 (o) Ballots, proxies, absentee ballots, and other records related
30 to voting by unit owners for one year after the election, action, or
31 vote to which they relate.
- 32 (2) (a) Subject to subsections (3) (~~(and (4))~~) through (5) of this
33 section, and except as provided in (b) of this subsection, all
34 records required to be retained by an association must be made
35 available for examination and copying by all unit owners, holders of
36 mortgages on the units, and their respective authorized agents as
37 follows, unless agreed otherwise:
- 38 (~~(a)~~) (i) During reasonable business hours or at a mutually
39 convenient time and location; and

1 (~~(b)~~) (ii) At the offices of the association or its managing
2 agent.

3 (b) The list of unit owners required to be retained by an
4 association under subsection (1)(c) of this section is not required
5 to be made available for examination and copying by holders of
6 mortgages on the units.

7 (3) Records retained by an association (~~may be withheld from~~
8 ~~inspection and copying to the extent that they concern~~) must have
9 the following information redacted or otherwise removed prior to
10 disclosure:

11 (a) Personnel and medical records relating to specific
12 individuals;

13 (b) Contracts, leases, and other commercial transactions to
14 purchase or provide goods or services currently being negotiated;

15 (c) Existing or potential litigation or mediation, arbitration,
16 or administrative proceedings;

17 (d) Existing or potential matters involving federal, state, or
18 local administrative or other formal proceedings before a
19 governmental tribunal for enforcement of the governing documents;

20 (e) Legal advice or communications that are otherwise protected
21 by the attorney-client privilege or the attorney work product
22 doctrine, including communications with the managing agent or other
23 agent of the association;

24 (f) Information the disclosure of which would violate a court
25 order or law;

26 (g) Records of an executive session of the board;

27 (h) Individual unit files other than those of the requesting unit
28 owner;

29 (i) Unlisted telephone number or electronic address of any unit
30 owner or resident;

31 (j) Security access information provided to the association for
32 emergency purposes; or

33 (k) Agreements that for good cause prohibit disclosure to the
34 members.

35 (4) In addition to the requirements in subsection (3) of this
36 section, an association must, prior to disclosure of the list of unit
37 owners required to be retained by an association under subsection
38 (1)(c) of this section, redact or otherwise remove the address of any
39 unit owner or resident who is known to the association to be a

1 participant in the address confidentiality program described in
2 chapter 40.24 RCW or any similar program established by law.

3 ~~((A))~~ (5)(a) Except as provided in (b) of this subsection, an
4 association may charge a reasonable fee for producing and providing
5 copies of any records under this section and for supervising the unit
6 owner's inspection.

7 (b) A unit owner is entitled to receive a free annual electronic
8 or paper copy of the list retained under subsection (1)(c) of this
9 section from the association.

10 ~~((5))~~ (6) A right to copy records under this section includes
11 the right to receive copies by photocopying or other means, including
12 through an electronic transmission if available upon request by the
13 unit owner.

14 ~~((6))~~ (7) An association is not obligated to compile or
15 synthesize information.

16 ~~((7))~~ (8) Information provided pursuant to this section may not
17 be used for commercial purposes.

18 ~~((8))~~ (9) An association's managing agent must deliver all of
19 the association's original books and records to the association
20 immediately upon termination of its management relationship with the
21 association, or upon such other demand as is made by the board. An
22 association managing agent may keep copies of the association records
23 at its own expense."

SHB 1043 - S COMM AMD

By Committee on Law & Justice

ADOPTED 04/11/2023

24 On page 1, line 2 of the title, after "communities;" strike the
25 remainder of the title and insert "and amending RCW 64.32.170,
26 64.34.372, 64.38.045, and 64.90.495."

EFFECT: Requires all common interest communities to follow the recordkeeping requirements under the Washington Uniform Common Interest Ownership Act (WUCIOA) for all records in the possession of the association on the effective date of the act, and created or maintained by the association after the effective date of the act. Exempts associations from liability for records disposed of prior to the effective date of the act.

Allows unit owners of common interest communities to receive a free annual electronic or paper copy of the list of unit owners retained by the common interest community association.

--- **END** ---