SENATE BILL REPORT SB 5058

As Passed Senate, February 15, 2023

Title: An act relating to exempting buildings with 12 or fewer units that are no more than two stories from the definition of multiunit residential building.

Brief Description: Exempting buildings with 12 or fewer units that are no more than two stories from the definition of multiunit residential building.

Sponsors: Senators Padden, Pedersen, Billig, Fortunato, Holy, Short and Wilson, L..

Brief History:

Committee Activity: Law & Justice: 1/23/23, 1/26/23 [DP]. Floor Activity: Passed Senate: 2/15/23, 48-0.

Brief Summary of Bill

• Exempts buildings with 12 or fewer units that are no more than two stories from requirements to submit a building enclosure design document to the building authority before construction, and to undergo building enclosure inspections during construction and before conveyance of a condominium unit within the building to a third party.

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: Do pass.

Signed by Senators Dhingra, Chair; Trudeau, Vice Chair; Padden, Ranking Member; Kuderer, McCune, Pedersen, Salomon, Torres, Valdez, Wagoner and Wilson, L..

Staff: Kevin Black (786-7747)

Background: <u>Multiunit Residential Building Inspections.</u> According to state law enacted in 2005, any person applying for a building permit to construct a building containing more

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than two attached dwelling units must submit a building enclosure design document to the appropriate building department before beginning construction or rehabilitative construction. Any building enclosure design documents pertaining to waterproofing, weatherproofing, or protection from water or moisture intrusion must be stamped by the architect or engineer. During the construction or rehabilitative construction process, the building enclosure must be inspected by a qualified inspector, who must be the architect, engineer of record, or another person with substantial and verifiable training and experience in building enclosure design and construction. The inspection must include, at a minimum, water penetration resistance testing, and an independent periodic review of the building enclosure during the course of construction to determine whether construction is in compliance with the building enclosure design document. The inspector must prepare a signed inspection certification letter, which is required before the building department may issue a certificate of occupancy.

<u>Conveyances of Multiunit Residential Buildings.</u> Before the conveyance of any condominium unit occupied for residential use in a multiunit residential building, the owner must prove that the inspections described in the above paragraph have occurred, or conduct their own inspection of the building enclosure of the building in which the unit is located, including intrusive testing such as the removal of siding or other building enclosure materials necessary to ascertain how the building enclosure was constructed, and to evaluate the present condition of the building enclosure. This inspection may result in recommendations for repairs to the building enclosure necessary to repair a design or construction defect in the building, or to repair damage to the building enclosure caused by such a defect.

<u>Exceptions.</u> These restrictions do not apply to a building which is a hotel or motel, dormitory, care facility, floating home, or a structure in which the dwelling units are held under one ownership and subject to a recorded irrevocable sale prohibition covenant. It does not apply to a building containing attached dwelling units which are all located on a single platted lot.

Summary of Bill: A building with 12 or fewer units that is no more than two stories is exempt from requirements applicable to multiunit residential buildings to:

- submit a building enclosure design document to the building authority before obtaining a building permit;
- obtain a building enclosure inspection by a qualified building inspector during construction or rehabilitative construction; and
- obtain a building enclosure inspection by a qualified building inspector before conveyance of a condominium unit.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: The number one way in which small businesses are financed is from an equity loan from a condominium or family home. We need more home ownership opportunities. Condominium ownership provides an affordable path for first-time home buyers and downsizing seniors. We need to cut the red tape that is preventing condo construction. This moves 12-unit condos from the commercial code to the building code, which is less expensive and more appropriate, opening housing affordability in the state of Washington. We have been unable to build condos in Eastern Washington, including nonprofit, affordable housing builders.

CON: We support more construction and greater affordability, but not at the expense of a reasonable level of quality. We can support eliminating inspection requirements for smaller buildings, but submission of a building enclosure design document should still be required, showing an intent to build according to code and keep water out of the buildings.

Persons Testifying: PRO: Senator Mike Padden, Prime Sponsor; Alex Hur, Master Builders Association of King and Snohomish Counties; Arne Woodard, Councilmember, City of Spokane Valley; Bill Clarke, Washington REALTORS; Josie Cummings, Building Industry Association of Washington; Jim Frank, Greenstone New Beginning Homes.

CON: Anthony Rafel, Washington State Chapter of Community Association Institute.

Persons Signed In To Testify But Not Testifying: No one.