
SUBSTITUTE HOUSE BILL 1043

State of Washington

68th Legislature

2023 Regular Session

By House Housing (originally sponsored by Representatives McEntire, Leavitt, and Walsh)

READ FIRST TIME 01/19/23.

1 AN ACT Relating to association records in common interest
2 communities; and amending RCW 64.32.170, 64.34.372, 64.38.045, and
3 64.90.495.

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

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

7 (1) The manager or board of directors, as the case may be, shall
8 keep complete and accurate books and records of the receipts and
9 expenditures affecting the common areas and facilities, specifying
10 and itemizing the maintenance and repair expenses of the common areas
11 and facilities and any other expenses incurred. Such books and
12 records and the vouchers authorizing payments shall be available for
13 examination by the apartment owners, their agents or attorneys, at
14 any reasonable time or times. All books and records shall be kept in
15 accordance with good accounting procedures and be audited at least
16 once a year by an auditor outside of the organization.

17 (2)(a) The association shall keep a complete and accurate list of
18 apartment owners. The list must include the names of the current
19 apartment owners, addresses used by the association to communicate
20 with them, and the number of votes allocated to each apartment.

1 (b) Subject to (d) and (e) of this subsection, the list of
2 apartment owners must be made available for examination and copying
3 by all apartment owners and their authorized agents as follows,
4 unless agreed otherwise:

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

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

8 (c) A right to copy the list of apartment owners under (b) of
9 this subsection includes the right to receive copies by photocopying
10 or other means, including through an electronic transmission if
11 available upon request by an apartment owner.

12 (d) The association may charge a reasonable fee for producing and
13 providing copies of the list of apartment owners and for supervising
14 an apartment owner's inspection of the list.

15 (e) The list of apartment owners must have the following
16 information redacted or otherwise removed prior to disclosure:

17 (i) The unlisted telephone number or electronic address of any
18 apartment owner or resident;

19 (ii) The address of any apartment owner or resident who is known
20 to the association to be a participant in the address confidentiality
21 program described in chapter 40.24 RCW or any similar program
22 established by law;

23 (iii) Agreements that for good cause prohibit disclosure; or

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

26 (f) Information provided pursuant to this subsection (2) may not
27 be used for any commercial purposes.

28 (g) An association is not obligated to compile or synthesize
29 information for the purposes of this subsection.

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

32 (1) The association shall keep financial records sufficiently
33 detailed to enable the association to comply with RCW 64.34.425. All
34 financial and other records of the association, including but not
35 limited to checks, bank records, and invoices, are the property of
36 the association, but shall be made reasonably available for
37 examination and copying by the manager of the association, any unit
38 owner, or the owner's authorized agents. At least annually, the
39 association shall prepare, or cause to be prepared, a financial

1 statement of the association in accordance with generally accepted
2 accounting principles. The financial statements of condominiums
3 consisting of (~~fifty~~) 50 or more units shall be audited at least
4 annually by a certified public accountant. In the case of a
5 condominium consisting of fewer than (~~fifty~~) 50 units, an annual
6 audit is also required but may be waived annually by unit owners
7 other than the declarant of units to which (~~sixty~~) 60 percent of
8 the votes are allocated, excluding the votes allocated to units owned
9 by the declarant.

10 (2) The funds of an association shall be kept in accounts in the
11 name of the association and shall not be commingled with the funds of
12 any other association, nor with the funds of any manager of the
13 association or any other person responsible for the custody of such
14 funds. Any reserve funds of an association shall be kept in a
15 segregated account and any transaction affecting such funds,
16 including the issuance of checks, shall require the signature of at
17 least two persons who are officers or directors of the association.

18 (3) (a) The association shall keep a complete and accurate list of
19 unit owners. The list must include the names of the current unit
20 owners, addresses used by the association to communicate with them,
21 and the number of votes allocated to each unit.

22 (b) Subject to (d) and (e) of this subsection, the list of unit
23 owners must be made available for examination and copying by all unit
24 owners and their authorized agents as follows, unless agreed
25 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 (c) A right to copy the list of unit owners under (b) of this
30 subsection includes the right to receive copies by photocopying or
31 other means, including through an electronic transmission if
32 available upon request by a unit owner.

33 (d) An association may charge a reasonable fee for producing and
34 providing copies of the list of unit owners and for supervising a
35 unit owner's inspection of the list.

36 (e) The list of unit owners must have the following information
37 redacted or otherwise removed prior to disclosure:

38 (i) The unlisted telephone number or electronic address of any
39 unit owner or resident;

1 (ii) The address of any unit owner or resident who is known to
2 the association to be a participant in the address confidentiality
3 program described in chapter 40.24 RCW or any similar program
4 established by law;

5 (iii) Agreements that for good cause prohibit disclosure; or

6 (iv) Information the disclosure of which would violate a law or a
7 court order.

8 (f) Information provided pursuant to this subsection (3) may not
9 be used for any commercial purposes.

10 (g) An association is not obligated to compile or synthesize
11 information for the purposes of this subsection.

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

14 (1) The association or its managing agent shall keep financial
15 and other records sufficiently detailed to enable the association to
16 fully declare to each owner the true statement of its financial
17 status. All financial and other records of the association, including
18 but not limited to checks, bank records, and invoices, in whatever
19 form they are kept, are the property of the association. Each
20 association managing agent shall turn over all original books and
21 records to the association immediately upon termination of the
22 management relationship with the association, or upon such other
23 demand as is made by the board of directors. An association managing
24 agent is entitled to keep copies of association records. All records
25 which the managing agent has turned over to the association shall be
26 made reasonably available for the examination and copying by the
27 managing agent.

28 (2) All records of the association, (~~including the names and~~
29 ~~addresses of owners and other occupants of the lots~~) except as
30 provided in subsection (5) of this section, shall be available for
31 examination by all owners, holders of mortgages on the lots, and
32 their respective authorized agents on reasonable advance notice
33 during normal working hours at the offices of the association or its
34 managing agent. The association shall not release the unlisted
35 telephone number of any owner. The association may impose and collect
36 a reasonable charge for copies and any reasonable costs incurred by
37 the association in providing access to records.

38 (3) At least annually, the association shall prepare, or cause to
39 be prepared, a financial statement of the association. The financial

1 statements of associations with annual assessments of (~~fifty~~
2 ~~thousand dollars~~) \$50,000 or more shall be audited at least annually
3 by an independent certified public accountant, but the audit may be
4 waived if (~~sixty-seven~~) 67 percent of the votes cast by owners, in
5 person or by proxy, at a meeting of the association at which a quorum
6 is present, vote each year to waive the audit.

7 (4) The funds of the association shall be kept in accounts in the
8 name of the association and shall not be commingled with the funds of
9 any other association, nor with the funds of any manager of the
10 association or any other person responsible for the custody of such
11 funds.

12 (5) (a) The association shall keep a complete and accurate list of
13 lot owners. The list must include the names of the current lot
14 owners, addresses used by the association to communicate with them,
15 and the number of votes allocated to each lot.

16 (b) Subject to (d) and (e) of this subsection, the list of lot
17 owners must be made available for examination and copying by all
18 owners and their respective authorized agents as follows, unless
19 agreed otherwise:

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

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

23 (c) A right to copy the list of lot owners under (b) of this
24 subsection includes the right to receive copies by photocopying or
25 other means, including through an electronic transmission if
26 available upon request by a lot owner.

27 (d) An association may charge a reasonable fee for producing and
28 providing copies of the list of lot owners and for supervising a lot
29 owner's inspection of the list.

30 (e) The list of lot owners must have the following information
31 redacted or otherwise removed prior to disclosure:

32 (i) The unlisted telephone number or electronic address of any
33 lot owner or resident;

34 (ii) The address of any lot owner or resident who is known to the
35 association to be a participant in the address confidentiality
36 program described in chapter 40.24 RCW or any similar program
37 established by law;

38 (iii) Agreements that for good cause prohibit disclosure; or

39 (iv) Information the disclosure of which would violate a law or a
40 court order.

1 (f) Information provided pursuant to this section may not be used
2 for any commercial purposes.

3 (g) An association is not obligated to compile or synthesize
4 information for the purposes of this subsection.

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

7 (1) 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) Financial and other records sufficiently detailed to enable
29 the association to comply with RCW 64.90.640;

30 (i) Copies of contracts to which it is or was a party within the
31 last seven years;

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

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

38 (l) Copies of insurance policies under which the association is a
39 named insured;

1 (m) Any current warranties provided to the association;

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

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

8 (2) (a) Subject to subsections (3) (~~(and (4))~~) through (5) of this
9 section, and except as provided in (b) of this subsection, all
10 records required to be retained by an association must be made
11 available for examination and copying by all unit owners, holders of
12 mortgages on the units, and their respective authorized agents as
13 follows, unless agreed otherwise:

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

16 (~~(b)~~) (ii) At the offices of the association or its managing
17 agent.

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

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

26 (a) Personnel and medical records relating to specific
27 individuals;

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

30 (c) Existing or potential litigation or mediation, arbitration,
31 or administrative proceedings;

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

35 (e) Legal advice or communications that are otherwise protected
36 by the attorney-client privilege or the attorney work product
37 doctrine, including communications with the managing agent or other
38 agent of the association;

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

1 (g) Records of an executive session of the board;
2 (h) Individual unit files other than those of the requesting unit
3 owner;
4 (i) Unlisted telephone number or electronic address of any unit
5 owner or resident;
6 (j) Security access information provided to the association for
7 emergency purposes; or
8 (k) Agreements that for good cause prohibit disclosure to the
9 members.

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

17 (5) An association may charge a reasonable fee for producing and
18 providing copies of any records under this section and for
19 supervising the unit owner's inspection.

20 (~~(5)~~) (6) A right to copy records under this section includes
21 the right to receive copies by photocopying or other means, including
22 through an electronic transmission if available upon request by the
23 unit owner.

24 (~~(6)~~) (7) An association is not obligated to compile or
25 synthesize information.

26 (~~(7)~~) (8) Information provided pursuant to this section may not
27 be used for commercial purposes.

28 (~~(8)~~) (9) An association's managing agent must deliver all of
29 the association's original books and records to the association
30 immediately upon termination of its management relationship with the
31 association, or upon such other demand as is made by the board. An
32 association managing agent may keep copies of the association records
33 at its own expense.

--- END ---