

SENATE BILL REPORT

SB 6042

AS REPORTED BY COMMITTEE ON LAW & JUSTICE, JANUARY 23, 1992

Brief Description: Revising the Washington condominium act.

SPONSORS: Senators Nelson and Rasmussen

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 6042 be substituted therefor, and the substitute bill do pass.

Signed by Senators Nelson, Chairman; Thorsness, Vice Chairman; Hayner, Rasmussen, and A. Smith.

Staff: Ben Barnes (786-7465)

Hearing Dates: January 23, 1992

BACKGROUND:

In 1987, the Legislature created a statutory committee, the Condominium Task Force, to update the former statute governing the creation of condominiums (the Horizontal Property Regimes Act) in accordance with the Uniform Condominium Act. The task force was comprised of representatives of condominium associations, developers, mortgage bankers, title companies, realtors, consumers, attorneys, and county assessors. In 1989, the Washington Condominium Act, drafted by the Condominium Task Force, was enacted by the Legislature and went into effect on July 1, 1990.

Additional refinements to the Washington Condominium Act are proposed.

SUMMARY:

The definition of "declarant control" is amended to include the right to veto or approve proposed board action.

A procedure for reserving the exclusive right to use a particular condominium name is established.

The requirement that each possible development right reserved in the declaration be labeled on the survey map and plans is deleted. In addition, the survey map and plans need not show the thickness of walls, floors, and ceilings which constitute the vertical and horizontal boundaries of units.

Only the purchaser at a foreclosure sale, not the foreclosing party, may exercise the right reserved in the declaration to withdraw property from the condominium.

The use of subassociations is expressly authorized.

The public offering statement need only disclose material differences between a model unit and the unit being sold that involve furnishings, finishes, and equipment. The public offering statement must contain any independent engineering report and local government inspection report required by other provisions of the act.

If a unit in a conversion condominium is offered for sale at a more favorable price and better terms than the initial offer to sell, the residential tenant of that unit must be given an opportunity to purchase the unit at the more favorable price and better terms. A local housing code inspection is not required for a conversion condominium that is less than two years old. Additional and/or excessive fees may not be imposed for a routine inspection.

The implied warranty of a declarant or dealer is limited to those improvements made or contracted for by the declarant or dealer.

Technical changes in language are added for clarification purposes.

EFFECT OF PROPOSED SUBSTITUTE:

A condominium association cannot charge more than \$150 for the preparation of a resale certificate. The association may, however, charge a nominal fee for updating a certificate within six months of the unit owner's previous request.

Appropriation: none

Revenue: none

Fiscal Note: requested January 17, 1992

TESTIMONY FOR:

The bill provides additional refinements to the Washington Condominium Act.

TESTIMONY AGAINST: None

TESTIFIED: Gary Ackerman, Pete Middlebrooks, Jim Strichartz, Washington Condominium Task Force