
HOUSE BILL 1540

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Day, Silver, Orr, Mielke and Winsley.

Read first time January 31, 1991. Referred to Committee on Judiciary.

1 AN ACT Relating to the management of condominium association funds
2 by licensed real estate brokers; and amending RCW 64.34.372.

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

4 **Sec. 1.** RCW 64.34.372 and 1990 c 166 s 7 are each amended to read
5 as follows:

6 (1) The association shall keep financial records sufficiently
7 detailed to enable the association to comply with RCW 64.34.425. All
8 financial and other records shall be made reasonably available for
9 examination by any unit owner and the owner's authorized agents. At
10 least annually, the association shall prepare, or cause to be prepared,
11 a financial statement of the association in accordance with generally
12 accepted accounting principles. The financial statements of
13 condominiums consisting of fifty or more units shall be audited at
14 least annually by a certified public accountant. In the case of a

1 condominium consisting of fewer than fifty units, an annual audit is
2 also required but may be waived annually by unit owners other than the
3 declarant of units to which sixty percent of the votes are allocated,
4 excluding the votes allocated to units owned by the declarant.

5 (2) Except as provided in chapter 18.85 RCW, the funds of an
6 association shall not be commingled with the funds of any other
7 association, nor with the funds of any manager of the association or
8 any other person responsible for the custody of such funds. All
9 licensed real estate brokers authorized to do business in the state of
10 Washington managing the funds of an association are required to comply
11 fully with chapter 18.85 RCW. Any reserve funds of an association shall
12 be kept in a segregated account and any transaction affecting such
13 funds, including the issuance of checks, shall require the signature of
14 at least two persons who are officers or directors of the association.