

SHB 2014 - S AMD 999

By Senator Weinstein

ADOPTED AND ENGROSSED 03/06/2008

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

3 "Sec. 1. RCW 64.34.440 and 1992 c 220 s 25 are each amended to  
4 read as follows:

5 (1)(a) A declarant of a conversion condominium, and any dealer who  
6 intends to offer units in such a condominium, shall give each of the  
7 residential tenants and any residential subtenant in possession of a  
8 portion of a conversion condominium notice of the conversion and  
9 provide those persons with the public offering statement no later than  
10 ((~~ninety~~)) one hundred twenty days before the tenants and any subtenant  
11 in possession are required to vacate. The notice must:

12 (i) Set forth generally the rights of tenants and subtenants under  
13 this section ((~~and shall~~));

14 (ii) Be delivered pursuant to notice requirements set forth in RCW  
15 59.12.040; and

16 (iii) Expressly state whether there is a county or city relocation  
17 assistance program for tenants or subtenants of conversion condominiums  
18 in the jurisdiction in which the property is located. If the county or  
19 city does have a relocation assistance program, the following must also  
20 be included in the notice:

21 (A) A summary of the terms and conditions under which relocation  
22 assistance is paid; and

23 (B) Contact information for the city or county relocation  
24 assistance program, which must include, at a minimum, a telephone  
25 number of the city or county department that administers the relocation  
26 assistance program for conversion condominiums.

27 (b) No tenant or subtenant may be required to vacate upon less than  
28 ((~~ninety~~)) one hundred twenty days' notice, except by reason of  
29 nonpayment of rent, waste, conduct that disturbs other tenants'  
30 peaceful enjoyment of the premises, or act of unlawful detainer as

1 defined in RCW 59.12.030, and the terms of the tenancy may not be  
2 altered during that period except as provided in (c) of this  
3 subsection.

4 (c) At the declarant's option, the declarant may provide all  
5 tenants in a single building with an option to terminate their lease or  
6 rental agreements without cause or consequence after providing the  
7 declarant with thirty days' notice. In such case, tenants continue to  
8 have access to relocation assistance under subsection (6)(e) of this  
9 section.

10 (d) Nothing in this subsection shall be deemed to waive or repeal  
11 RCW 59.18.200(2). Failure to give notice as required by this section  
12 is a defense to an action for possession.

13 (e) The city or county in which the property is located may require  
14 the declarant to forward a copy of the conversion notice required in  
15 (a) of this subsection to the appropriately designated department or  
16 agency in the city or county for the purpose of maintaining a list of  
17 conversion condominium projects proposed in the jurisdiction.

18 (2) For sixty days after delivery or mailing of the notice  
19 described in subsection (1) of this section, the person required to  
20 give the notice shall offer to convey each unit or proposed unit  
21 occupied for residential use to the tenant who leases that unit. If a  
22 tenant fails to purchase the unit during that sixty-day period, the  
23 offeror may offer to dispose of an interest in that unit during the  
24 following one hundred eighty days at a price or on terms more favorable  
25 to the offeree than the price or terms offered to the tenant only if:  
26 (a) Such offeror, by written notice mailed to the tenant's last known  
27 address, offers to sell an interest in that unit at the more favorable  
28 price and terms, and (b) such tenant fails to accept such offer in  
29 writing within ten days following the mailing of the offer to the  
30 tenant. This subsection does not apply to any unit in a conversion  
31 condominium if that unit will be restricted exclusively to  
32 nonresidential use or the boundaries of the converted unit do not  
33 substantially conform to the dimensions of the residential unit before  
34 conversion.

35 (3) If a seller, in violation of subsection (2) of this section,  
36 conveys a unit to a purchaser for value who has no knowledge of the  
37 violation, recording of the deed conveying the unit extinguishes any

1 right a tenant may have to purchase that unit but does not affect the  
2 right of a tenant to recover damages from the seller for a violation of  
3 subsection (2) of this section.

4 (4) If a notice of conversion specifies a date by which a unit or  
5 proposed unit must be vacated and otherwise complies with the  
6 provisions of this chapter and chapter 59.18 RCW, the notice also  
7 constitutes a notice to vacate specified by that statute.

8 (5) Nothing in this section permits termination of a lease by a  
9 declarant in violation of its terms.

10 (6) Notwithstanding RCW 64.34.050(1), a city or county may by  
11 appropriate ordinance require with respect to any conversion  
12 condominium within the jurisdiction of such city or county that:

13 (a) In addition to the statement required by RCW 64.34.415(1)(a),  
14 the public offering statement shall contain a copy of the written  
15 inspection report prepared by the appropriate department of such city  
16 or county, which report shall list any violations of the housing code  
17 or other governmental regulation, which code or regulation is  
18 applicable regardless of whether the real property is owned as a  
19 condominium or in some other form of ownership; said inspection shall  
20 be made within forty-five days of the declarant's written request  
21 therefor and said report shall be issued within fourteen days of said  
22 inspection being made. Such inspection may not be required with  
23 respect to any building for which a final certificate of occupancy has  
24 been issued by the city or county within the preceding twenty-four  
25 months; and any fee imposed for the making of such inspection may not  
26 exceed the fee that would be imposed for the making of such an  
27 inspection for a purpose other than complying with this subsection  
28 (6)(a);

29 (b) Prior to the conveyance of any residential unit within a  
30 conversion condominium, other than a conveyance to a declarant or  
31 affiliate of a declarant: (i) All violations disclosed in the  
32 inspection report provided for in (a) of this subsection, and not  
33 otherwise waived by such city or county, shall be repaired, and (ii) a  
34 certification shall be obtained from such city or county that such  
35 repairs have been made, which certification shall be based on a  
36 reinspection to be made within seven days of the declarant's written  
37 request therefor and which certification shall be issued within seven  
38 days of said reinspection being made;

1 (c) The repairs required to be made under (b) of this subsection  
2 shall be warranted by the declarant against defects due to workmanship  
3 or materials for a period of one year following the completion of such  
4 repairs;

5 (d) Prior to the conveyance of any residential unit within a  
6 conversion condominium, other than a conveyance to a declarant or  
7 affiliate of a declarant: (i) The declarant shall establish and  
8 maintain, during the one-year warranty period provided under (c) of  
9 this subsection, an account containing a sum equal to ten percent of  
10 the actual cost of making the repairs required under (b) of this  
11 subsection; (ii) during the one-year warranty period, the funds in such  
12 account shall be used exclusively for paying the actual cost of making  
13 repairs required, or for otherwise satisfying claims made, under such  
14 warranty; (iii) following the expiration of the one-year warranty  
15 period, any funds remaining in such account shall be immediately  
16 disbursed to the declarant; and (iv) the declarant shall notify in  
17 writing the association and such city or county as to the location of  
18 such account and any disbursements therefrom; (~~and~~)

19 (e)(i) A declarant shall pay relocation assistance ((not to exceed  
20 five hundred dollars per unit shall be paid)), in an amount to be  
21 determined by the city or county, which may not exceed a sum equal to  
22 three months of the tenant's or subtenant's rent at the time the  
23 conversion notice required under subsection (1) of this section is  
24 received, to tenants and subtenants:

25 (A) Who do not elect (~~not~~) to purchase a unit (~~and~~);

26 (B) Who are in lawful occupancy for residential purposes of a unit;

27 and

28 (C) Whose ((monthly)) annual household income from all sources, on  
29 the date of the notice described in subsection (1) of this section, was  
30 less than an amount equal to eighty percent of ((+i));

31 (I) The ((monthly)) annual median income for comparably sized  
32 households in the standard metropolitan statistical area, as defined  
33 and established by the United States department of housing and urban  
34 development, in which the condominium is located(~~(τ)~~); or ((+ii))

35 (II) If the condominium is not within a standard metropolitan  
36 statistical area, the ((monthly)) annual median income for comparably  
37 sized households in the state of Washington, as defined and determined  
38 by said department.

1 The household size of a unit shall be based on the number of  
2 persons actually in lawful occupancy of the unit. The tenant or  
3 subtenant actually in lawful occupancy of the unit shall be entitled to  
4 the relocation assistance. Relocation assistance shall be paid on or  
5 before the date the tenant or subtenant vacates and shall be in  
6 addition to any damage deposit or other compensation or refund to which  
7 the tenant is otherwise entitled. Unpaid rent or other amounts owed by  
8 the tenant or subtenant to the landlord may be offset against the  
9 relocation assistance;

10 (ii) Elderly or special needs tenants who otherwise meet the  
11 requirements of (e)(i)(A) of this subsection shall receive relocation  
12 assistance, the greater of:

13 (A) The sum described in (e)(i) of this subsection; or

14 (B) The sum of actual relocation expenses of the tenant, up to a  
15 maximum of one thousand five hundred dollars in excess of the sum  
16 described in (e)(i) of this subsection, which may include costs  
17 associated with the physical move, first month's rent, and the security  
18 deposit for the dwelling unit to which the tenant is relocating, rent  
19 differentials for up to a six-month period, and any other reasonable  
20 costs or fees associated with the relocation. Receipts for relocation  
21 expenses must be provided to the declarant by eligible tenants, and  
22 declarants shall provide the relocation assistance to tenants in a  
23 timely manner. The city or county may provide additional guidelines  
24 for the relocation assistance;

25 (iii) For the purposes of this subsection (6)(e):

26 (A) "Special needs" means, but is not limited to, a chronic mental  
27 illness or physical disability, a developmental disability, or other  
28 condition affecting cognition, disease, chemical dependency, or a  
29 medical condition that is permanent, not reversible or curable, or is  
30 long lasting, and severely limits a person's mental or physical  
31 capacity for self-care; and

32 (B) "Elderly" means a person who is at least sixty-five years of  
33 age;

34 (f) Except as authorized under (g) of this subsection, a declarant  
35 and any dealer shall not begin any construction, remodeling, or repairs  
36 to any interior portion of an occupied building that is to be converted  
37 to a condominium during the one hundred twenty-day notice period  
38 provided for in subsection (1) of this section unless all residential

1 tenants and residential subtenants who have elected not to purchase a  
2 unit and who are in lawful occupancy in the building have vacated the  
3 premises. For the purposes of this subsection:

4 (i) "Construction, remodeling, or repairs" means the work that is  
5 done for the purpose of converting the condominium, not work that is  
6 done to maintain the building or lot for the residential use of the  
7 existing tenants or subtenants;

8 (ii) "Occupied building" means a stand-alone structure occupied by  
9 tenants and does not include other stand-alone buildings located on the  
10 property or detached common area facilities; and

11 (g)(i) If a declarant or dealer has offered existing tenants an  
12 option to terminate an existing lease or rental agreement without cause  
13 or consequence as authorized under subsection (1)(c) of this section,  
14 a declarant and any dealer may begin construction, remodeling, or  
15 repairs to interior portions of an occupied building (A) to repair or  
16 remodel vacant units to be used as model units, if the repair or  
17 remodel is limited to one model for each unit type in the building, (B)  
18 to repair or remodel a vacant unit or common area for use as a sales  
19 office, or (C) to do both.

20 (ii) The work performed under this subsection (6)(g) must not  
21 violate the tenant's or subtenant's rights of quiet enjoyment during  
22 the one hundred twenty-day notice period.

23 (7) Violations of any city or county ordinance adopted as  
24 authorized by subsection (6) of this section shall give rise to such  
25 remedies, penalties, and causes of action which may be lawfully imposed  
26 by such city or county. Such violations shall not invalidate the  
27 creation of the condominium or the conveyance of any interest therein.

28 **Sec. 2.** RCW 82.02.020 and 2006 c 149 s 3 are each amended to read  
29 as follows:

30 Except only as expressly provided in chapters 67.28 and 82.14 RCW,  
31 the state preempts the field of imposing taxes upon retail sales of  
32 tangible personal property, the use of tangible personal property,  
33 parimutuel wagering authorized pursuant to RCW 67.16.060, conveyances,  
34 and cigarettes, and no county, town, or other municipal subdivision  
35 shall have the right to impose taxes of that nature. Except as  
36 provided in RCW 64.34.440 and 82.02.050 through 82.02.090, no county,  
37 city, town, or other municipal corporation shall impose any tax, fee,

1 or charge, either direct or indirect, on the construction or  
2 reconstruction of residential buildings, commercial buildings,  
3 industrial buildings, or on any other building or building space or  
4 appurtenance thereto, or on the development, subdivision,  
5 classification, or reclassification of land. However, this section  
6 does not preclude dedications of land or easements within the proposed  
7 development or plat which the county, city, town, or other municipal  
8 corporation can demonstrate are reasonably necessary as a direct result  
9 of the proposed development or plat to which the dedication of land or  
10 easement is to apply.

11 This section does not prohibit voluntary agreements with counties,  
12 cities, towns, or other municipal corporations that allow a payment in  
13 lieu of a dedication of land or to mitigate a direct impact that has  
14 been identified as a consequence of a proposed development,  
15 subdivision, or plat. A local government shall not use such voluntary  
16 agreements for local off-site transportation improvements within the  
17 geographic boundaries of the area or areas covered by an adopted  
18 transportation program authorized by chapter 39.92 RCW. Any such  
19 voluntary agreement is subject to the following provisions:

20 (1) The payment shall be held in a reserve account and may only be  
21 expended to fund a capital improvement agreed upon by the parties to  
22 mitigate the identified, direct impact;

23 (2) The payment shall be expended in all cases within five years of  
24 collection; and

25 (3) Any payment not so expended shall be refunded with interest to  
26 be calculated from the original date the deposit was received by the  
27 county and at the same rate applied to tax refunds pursuant to RCW  
28 84.69.100; however, if the payment is not expended within five years  
29 due to delay attributable to the developer, the payment shall be  
30 refunded without interest.

31 No county, city, town, or other municipal corporation shall require  
32 any payment as part of such a voluntary agreement which the county,  
33 city, town, or other municipal corporation cannot establish is  
34 reasonably necessary as a direct result of the proposed development or  
35 plat.

36 Nothing in this section prohibits cities, towns, counties, or other  
37 municipal corporations from collecting reasonable fees from an  
38 applicant for a permit or other governmental approval to cover the cost

1 to the city, town, county, or other municipal corporation of processing  
2 applications, inspecting and reviewing plans, or preparing detailed  
3 statements required by chapter 43.21C RCW.

4 This section does not limit the existing authority of any county,  
5 city, town, or other municipal corporation to impose special  
6 assessments on property specifically benefitted thereby in the manner  
7 prescribed by law.

8 Nothing in this section prohibits counties, cities, or towns from  
9 imposing or permits counties, cities, or towns to impose water, sewer,  
10 natural gas, drainage utility, and drainage system charges: PROVIDED,  
11 That no such charge shall exceed the proportionate share of such  
12 utility or system's capital costs which the county, city, or town can  
13 demonstrate are attributable to the property being charged: PROVIDED  
14 FURTHER, That these provisions shall not be interpreted to expand or  
15 contract any existing authority of counties, cities, or towns to impose  
16 such charges.

17 Nothing in this section prohibits a transportation benefit district  
18 from imposing fees or charges authorized in RCW 36.73.120 nor prohibits  
19 the legislative authority of a county, city, or town from approving the  
20 imposition of such fees within a transportation benefit district.

21 Nothing in this section prohibits counties, cities, or towns from  
22 imposing transportation impact fees authorized pursuant to chapter  
23 39.92 RCW.

24 Nothing in this section prohibits counties, cities, or towns from  
25 requiring property owners to provide relocation assistance to tenants  
26 under RCW 59.18.440 and 59.18.450.

27 Nothing in this section limits the authority of counties, cities,  
28 or towns to implement programs consistent with RCW 36.70A.540, nor to  
29 enforce agreements made pursuant to such programs.

30 This section does not apply to special purpose districts formed and  
31 acting pursuant to Titles 54, 57, or 87 RCW, nor is the authority  
32 conferred by these titles affected.

33 NEW SECTION. **Sec. 3.** A new section is added to chapter 64.34 RCW  
34 to read as follows:

35 (1) All cities and counties planning under RCW 36.70A.040, which  
36 have allowed any conversion condominiums within the jurisdiction within



1 the previous twelve-month period, must report annually to the  
2 department of community, trade, and economic development the following  
3 information:

4 (a) The total number of apartment units converted into  
5 condominiums;

6 (b) The total number of conversion condominium projects; and

7 (c) The total number of apartment tenants who receive relocation  
8 assistance.

9 (2) Upon completion of a conversion condominium project, a city or  
10 county may require the declarant to provide the information described  
11 in subsection (1) of this section to the appropriately designated  
12 department or agency in the city or county for the purpose of complying  
13 with subsection (1) of this section.

14 **Sec. 4.** RCW 59.18.200 and 2003 c 7 s 1 are each amended to read as  
15 follows:

16 (1)(a) When premises are rented for an indefinite time, with  
17 monthly or other periodic rent reserved, such tenancy shall be  
18 construed to be a tenancy from month to month, or from period to period  
19 on which rent is payable, and shall be terminated by written notice of  
20 twenty days or more, preceding the end of any of the months or periods  
21 of tenancy, given by either party to the other.

22 (b) Any tenant who is a member of the armed forces, including the  
23 national guard and armed forces reserves, or that tenant's spouse or  
24 dependant, may terminate a rental agreement with less than twenty days'  
25 notice if the tenant receives reassignment or deployment orders that do  
26 not allow a twenty-day notice.

27 (2)(a) Whenever a landlord (~~(plans to change any apartment or~~  
28 ~~apartments to a condominium form of ownership or)) plans to change to  
29 a policy of excluding children, the landlord shall give a written  
30 notice to a tenant at least ninety days before termination of the  
31 tenancy to effectuate such change in policy. Such ninety-day notice  
32 shall be in lieu of the notice required by subsection (1) of this  
33 section. However, if after giving the ninety-day notice the change in  
34 policy is delayed, the notice requirements of subsection (1) of this  
35 section shall apply unless waived by the tenant.~~

36 (b) Whenever a landlord plans to change any apartment or apartments  
37 to a condominium form of ownership, the landlord shall provide a

1 written notice to a tenant at least one hundred twenty days before  
2 termination of the tenancy, in compliance with RCW 64.34.440(1), to  
3 effectuate such change. The one hundred twenty-day notice is in lieu  
4 of the notice required in subsection (1) of this section. However, if  
5 after providing the one hundred twenty-day notice the change to a  
6 condominium form of ownership is delayed, the notice requirements in  
7 subsection (1) of this section apply unless waived by the tenant.

8 NEW SECTION. Sec. 5. This act does not apply to any conversion  
9 condominiums for which a notice required under RCW 64.34.440(1) has  
10 been delivered before the effective date of this act.

11 NEW SECTION. Sec. 6. This act takes effect August 1, 2008."

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**ADOPTED AND ENGROSSED 03/06/2008**

12 On page 1, line 1 of the title, after "condominiums;" strike the  
13 remainder of the title and insert "amending RCW 64.34.440, 82.02.020,  
14 and 59.18.200; adding a new section to chapter 64.34 RCW; creating a  
15 new section; and providing an effective date."

**--- END ---**