

SB 5334 - S AMD 28
By Senator Pedersen

ADOPTED 02/25/2019

- 1 On page 15, line 6, after "state" insert "on or"
- 2 On page 15, line 8, after "created" insert "on or"
- 3 On page 15, line 31, after "state" insert "on or"
- 4 On page 16, line 11, after "occurring" insert "on or"
- 5 On page 16, line 19, after "created" insert "on or"
- 6 On page 16, line 22, after "created" insert "on or"
- 7 On page 16, line 28, after "created" insert "on or"
- 8 On page 49, after line 14, insert the following:

9 **"Sec. 213.** RCW 64.90.650 and 2018 c 277 s 411 are each amended
10 to read as follows:

11 (1) In the case of a sale of a unit when delivery of a public
12 offering statement is required pursuant to RCW 64.90.605(3) and
13 subject to subsection (2) of this section, a seller before conveying
14 a unit:

15 (a) Must record or furnish to the purchaser releases of all liens
16 that encumber:

17 (i) In a condominium, that unit and its common element interest;
18 and

19 (ii) In a cooperative, plat community, or miscellaneous
20 community, that unit and any limited common elements assigned to that
21 unit; or

22 (b) Must provide the purchaser of that unit with title insurance
23 from a licensed title insurance company against any lien not released
24 pursuant to (a) of this subsection.

25 (2) Subsection (1) of this section does not apply to liens that
26 encumber:

27 (a) Real estate that a declarant has the right to withdraw from
28 the common interest community;

1 (b) In a condominium, the unit and its common element interest
2 being purchased, but no other unit, if the purchaser expressly agrees
3 in writing to take subject to or assume such lien;

4 (c) In a cooperative, plat community, or miscellaneous community,
5 the unit and any limited common element allocated to the unit being
6 purchased, but no other unit, if the purchaser expressly agrees in
7 writing to take subject to or assume such lien.

8 (3) Before conveying real property to the association, the
9 declarant must have that real property released from:

10 (a) All liens the foreclosure of which would deprive unit owners
11 of any right of access to or easement of support of their units; and

12 (b) All other liens on that real property unless the public
13 offering statement describes certain real property that may be
14 conveyed subject to liens in specified amounts.

15 (4) In the case of a cooperative, the provisions of this section
16 do not apply to liens securing indebtedness that represent a common
17 expense liability for which the purchaser expressly agrees in writing
18 to be responsible."

19 Renumber the remaining sections consecutively and correct any
20 internal references accordingly.

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21 On page 1, line 4 of the title, after "64.90.610," insert
22 "64.90.650,"

EFFECT: (1) RCW 64.90.650 prohibits the sale of a condominium
unless all liens of the declarant/developer have been released. This
amendment exempts the sale of a cooperative condominium unit from
this prohibition when the unit is subject to a lien securing
indebtedness that represents a common expense liability for which the
purchaser expressly agrees in writing to be responsible.

(2) Corrects effective date to clarify WUCIOA applies to CICs
created on or after July 1, 2018.

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