
SENATE BILL 5011

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By Senators Pedersen, Wilson, L., Brown, Kuderer, Mullet, and Warnick

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1 AN ACT Relating to notice, meeting, and voting provisions for
2 common interest communities, condominiums, and homeowners'
3 associations; amending RCW 64.32.010, 64.34.332, 64.34.340,
4 64.34.352, and 64.38.035; reenacting and amending RCW 64.34.020 and
5 64.38.010; adding new sections to chapter 64.32 RCW; adding a new
6 section to chapter 64.34 RCW; and adding new sections to chapter
7 64.38 RCW.

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

9 **Sec. 1.** RCW 64.32.010 and 2008 c 114 s 3 are each amended to
10 read as follows:

11 As used in this chapter unless the context otherwise requires:

12 (1) "Apartment" means a part of the property intended for any
13 type of independent use, including one or more rooms or spaces
14 located on one or more floors (or part or parts thereof) in a
15 building, or if not in a building, a separately delineated place of
16 storage or moorage of a boat, plane, or motor vehicle, regardless of
17 whether it is destined for a residence, an office, storage or moorage
18 of a boat, plane, or motor vehicle, the operation of any industry or
19 business, or for any other use not prohibited by law, and which has a
20 direct exit to a public street or highway, or to a common area
21 leading to such street or highway. The boundaries of an apartment

1 located in a building are the interior surfaces of the perimeter
2 walls, floors, ceilings, windows and doors thereof, and the apartment
3 includes both the portions of the building so described and the air
4 space so encompassed. If the apartment is a separately delineated
5 place of storage or moorage of a boat, plane, or motor vehicle the
6 boundaries are those specified in the declaration. In interpreting
7 declarations, deeds, and plans, the existing physical boundaries of
8 the apartment as originally constructed or as reconstructed in
9 substantial accordance with the original plans thereof shall be
10 conclusively presumed to be its boundaries rather than the metes and
11 bounds expressed or depicted in the declaration, deed or plan,
12 regardless of settling or lateral movement of the building and
13 regardless of minor variance between boundaries shown in the
14 declaration, deed, or plan and those of apartments in the building.

15 (2) "Apartment owner" means the person or persons owning an
16 apartment, as herein defined, in fee simple absolute or qualified, by
17 way of leasehold or by way of a periodic estate, or in any other
18 manner in which real property may be owned, leased or possessed in
19 this state, together with an undivided interest in a like estate of
20 the common areas and facilities in the percentage specified and
21 established in the declaration as duly recorded or as it may be
22 lawfully amended.

23 (3) "Apartment number" means the number, letter, or combination
24 thereof, designating the apartment in the declaration as duly
25 recorded or as it may be lawfully amended.

26 (4) "Association of apartment owners" means all of the apartment
27 owners acting as a group in accordance with the bylaws and with the
28 declaration as it is duly recorded or as they may be lawfully
29 amended.

30 (5) "Building" means a building, containing two or more
31 apartments, or two or more buildings each containing one or more
32 apartments, and comprising a part of the property.

33 (6) "Common areas and facilities", unless otherwise provided in
34 the declaration as duly recorded or as it may be lawfully amended,
35 includes:

36 (a) The land on which the building is located;

37 (b) The foundations, columns, girders, beams, supports, main
38 walls, roofs, halls, corridors, lobbys, stairs, stairways, fire
39 escapes, and entrances and exits of the building;

1 (c) The basements, yards, gardens, parking areas and storage
2 spaces;

3 (d) The premises for the lodging of janitors or persons in charge
4 of the property;

5 (e) The installations of central services such as power, light,
6 gas, hot and cold water, heating, refrigeration, air conditioning and
7 incinerating;

8 (f) The elevators, tanks, pumps, motors, fans, compressors, ducts
9 and in general all apparatus and installations existing for common
10 use;

11 (g) Such community and commercial facilities as may be provided
12 for in the declaration as duly recorded or as it may be lawfully
13 amended;

14 (h) All other parts of the property necessary or convenient to
15 its existence, maintenance and safety, or normally in common use.

16 (7) "Common expenses" include:

17 (a) All sums lawfully assessed against the apartment owners by
18 the association of apartment owners;

19 (b) Expenses of administration, maintenance, repair, or
20 replacement of the common areas and facilities;

21 (c) Expenses agreed upon as common expenses by the association of
22 apartment owners;

23 (d) Expenses declared common expenses by the provisions of this
24 chapter, or by the declaration as it is duly recorded, or by the
25 bylaws, or as they may be lawfully amended.

26 (8) "Common profits" means the balance of all income, rents,
27 profits and revenues from the common areas and facilities remaining
28 after the deduction of the common expenses.

29 (9) "Declaration" means the instrument by which the property is
30 submitted to provisions of this chapter, as hereinafter provided, and
31 as it may be, from time to time, lawfully amended.

32 (10) "Land" means the material of the earth, whatever may be the
33 ingredients of which it is composed, whether soil, rock, or other
34 substance, whether or not submerged, and includes free or occupied
35 space for an indefinite distance upwards as well as downwards,
36 subject to limitations upon the use of airspace imposed, and rights
37 in the use of the airspace granted, by the laws of this state or of
38 the United States.

39 (11) "Limited common areas and facilities" includes those common
40 areas and facilities designated in the declaration, as it is duly

1 recorded or as it may be lawfully amended, as reserved for use of
2 certain apartment or apartments to the exclusion of the other
3 apartments.

4 (12) "Majority" or "majority of apartment owners" means the
5 apartment owners with fifty-one percent or more of the votes in
6 accordance with the percentages assigned in the declaration, as duly
7 recorded or as it may be lawfully amended, to the apartments for
8 voting purposes.

9 (13) "Person" includes any individual, corporation, partnership,
10 association, trustee, or other legal entity.

11 (14) "Property" means the land, the building, all improvements
12 and structures thereon, all owned in fee simple absolute or
13 qualified, by way of leasehold or by way of a periodic estate, or in
14 any other manner in which real property may be owned, leased or
15 possessed in this state, and all easements, rights and appurtenances
16 belonging thereto, none of which shall be considered as a security or
17 security interest, and all articles of personalty intended for use in
18 connection therewith, which have been or are intended to be submitted
19 to the provisions of this chapter.

20 (15) "Percent of the apartment owners" means the apartment owners
21 with the stated percent or more of the votes in accordance with the
22 percentages assigned in the declaration, as duly recorded or as it
23 may be lawfully amended, to the apartments for voting purposes.

24 (16) "Electronic transmission" or "electronically transmitted"
25 means any electronic communication not directly involving the
26 physical transfer of a writing in a tangible medium, but that may be
27 retained, retrieved, and reviewed by the sender and the recipient of
28 the communication, and that may be directly reproduced in a tangible
29 medium by a sender and recipient.

30 (17) "Tangible medium" means a writing, copy of a writing,
31 facsimile, or a physical reproduction, each on paper or on other
32 tangible material.

33 NEW SECTION. Sec. 2. A new section is added to chapter 64.32
34 RCW to read as follows:

35 (1) Notwithstanding any inconsistent provision in the governing
36 documents, notice to the association of apartment owners, board of
37 directors, or any apartment owner or occupant of an apartment under
38 this chapter shall be in writing and shall be provided to the
39 recipient by personal delivery, public or private mail or delivery

1 service, or by electronic transmission as provided in this section:
2 PROVIDED, That if this chapter requires different or additional
3 notice requirements for particular circumstances, those requirements
4 shall apply.

5 (2) Notice in a tangible medium shall be provided as follows:

6 (a) Notice to the association of apartment owners or board of
7 directors shall be addressed to the association's registered agent at
8 its registered office, to the association at its principal office
9 shown in its most recent annual report, or to an address provided by
10 the association to the apartment owners.

11 (b) Notice to an apartment owner or occupant shall be addressed
12 to the apartment address unless the apartment owner has requested, in
13 a writing delivered to the association, that notices be sent to an
14 alternate address.

15 (3) Notice in an electronic transmission shall be provided as
16 follows:

17 (a) Notice to the association of apartment owners, the board of
18 directors, or apartment owners by electronic transmission is
19 effective only upon those who have consented, in writing, to receive
20 electronically transmitted notices under this chapter and have
21 designated the address, location, or system to which such notices may
22 be electronically transmitted, provided that such notice otherwise
23 complies with any other requirements of this chapter and applicable
24 law.

25 (b) Notice under this subsection includes any materials that
26 accompany the notice.

27 (c) Owners who have consented to receipt of electronically
28 transmitted notices may revoke this consent by delivering a
29 revocation to the association of apartment owners in writing.

30 (d) The consent of any apartment owner is revoked if the
31 association is unable to electronically transmit two consecutive
32 notices and this inability becomes known to the secretary of the
33 association of apartment owners or any other person responsible for
34 giving the notice. The inadvertent failure by the association of
35 apartment owners to treat this inability as a revocation does not
36 invalidate any meeting or other action.

37 (e) Notice to apartment owners who have consented to receipt of
38 electronically transmitted notices may be provided by posting the
39 notice on an electronic network and delivering to the apartment owner
40 separate notice of the posting, together with comprehensible

1 instructions regarding how to obtain access to the posting on the
2 electronic network.

3 (4) Notice is effective as follows:

4 (a) Notice provided in a tangible medium is effective as of the
5 date of hand delivery, deposit with the carrier, or when sent by fax.

6 (b) Notice provided in an electronic transmission is effective as
7 of the date it:

8 (i) Is electronically transmitted to an address, location, or
9 system designated by the recipient for that purpose; or

10 (ii) Has been posted on an electronic network and separate notice
11 of the posting has been sent to the recipient containing instructions
12 regarding how to obtain access to the posting on the electronic
13 network.

14 (5) The ineffectiveness of a good faith effort to deliver notice
15 by an authorized means does not invalidate action taken at or without
16 a meeting.

17 (6) This chapter modifies, limits, and supersedes the federal
18 electronic signatures in global and national commerce act, 15 U.S.C.
19 Sec. 7001 et seq., but does not modify, limit, or supersede 15 U.S.C.
20 Sec. 7001(c) or authorize electronic delivery of any of the notices
21 described in 15 U.S.C. Sec. 7003(b).

22 NEW SECTION. **Sec. 3.** A new section is added to chapter 64.32
23 RCW to read as follows:

24 (1) Apartment owners may vote at a meeting in person, by absentee
25 ballot pursuant to subsection (3)(d) of this section, or by a proxy
26 pursuant to subsection (5) of this section.

27 (2) When a vote is conducted without a meeting, apartment owners
28 may vote by ballot pursuant to subsection (6) of this section.

29 (3) At a meeting of apartment owners the following requirements
30 apply:

31 (a) Apartment owners or their proxies who are present in person
32 may vote by voice vote, show of hands, standing, written ballot, or
33 any other method for determining the votes of apartment owners, as
34 designated by the person presiding at the meeting.

35 (b) If only one of several apartment owners of an apartment is
36 present, that apartment owner is entitled to cast all the votes
37 allocated to that apartment. If more than one of the apartment owners
38 are present, the votes allocated to that apartment may be cast only
39 in accordance with the agreement of a majority in interest of the

1 apartment owners, unless the declaration expressly provides
2 otherwise. There is a majority agreement if any one of the apartment
3 owners casts the votes allocated to the apartment without protest
4 being made promptly to the person presiding over the meeting by any
5 of the other apartment owners of the apartment.

6 (c) Unless a greater number or fraction of the votes in the
7 association is required under this chapter or the declaration or
8 organizational documents, a majority of the votes cast determines the
9 outcome of any action of the association.

10 (d) Whenever proposals or board members are to be voted upon at a
11 meeting, an apartment owner may vote by duly executed absentee ballot
12 if:

13 (i) The name of each candidate and the text of each proposal to
14 be voted upon are set forth in a writing accompanying or contained in
15 the notice of meeting; and

16 (ii) A ballot is provided by the association for such purpose.

17 (4) When an apartment owner votes by absentee ballot, the
18 association must be able to verify that the ballot is cast by the
19 apartment owner having the right to do so.

20 (5) Except as provided otherwise in the declaration or
21 organizational documents, the following requirements apply with
22 respect to proxy voting:

23 (a) Votes allocated to an apartment may be cast pursuant to a
24 directed or undirected proxy duly executed by an apartment owner in
25 the same manner as provided in RCW 24.06.110.

26 (b) If an apartment is owned by more than one person, each
27 apartment owner of the apartment may vote or register protest to the
28 casting of votes by the other apartment owners of the apartment
29 through a duly executed proxy.

30 (c) An apartment owner may revoke a proxy given pursuant to this
31 section only by actual notice of revocation to the secretary or the
32 person presiding over a meeting of the association or by delivery of
33 a subsequent proxy. The death or disability of an apartment owner
34 does not revoke a proxy given by the apartment owner unless the
35 person presiding over the meeting has actual notice of the death or
36 disability.

37 (d) A proxy is void if it is not dated or purports to be
38 revocable without notice.

39 (e) Unless stated otherwise in the proxy, a proxy terminates
40 eleven months after its date of issuance.

1 (6) Unless prohibited or limited by the declaration or
2 organizational documents, an association may conduct a vote without a
3 meeting. In that event, the following requirements apply:

4 (a) The association must notify the apartment owners that the
5 vote will be taken by ballot.

6 (b) The notice must state:

7 (i) The time and date by which a ballot must be delivered to the
8 association to be counted, which may not be fewer than fourteen days
9 after the date of the notice, and which deadline may be extended in
10 accordance with (g) of this subsection;

11 (ii) The percent of votes necessary to meet the quorum
12 requirements;

13 (iii) The percent of votes necessary to approve each matter other
14 than election of board members; and

15 (iv) The time, date, and manner by which apartment owners wishing
16 to deliver information to all apartment owners regarding the subject
17 of the vote may do so.

18 (c) The association must deliver a ballot to every apartment
19 owner with the notice.

20 (d) The ballot must set forth each proposed action and provide an
21 opportunity to vote for or against the action.

22 (e) A ballot cast pursuant to this section may be revoked only by
23 actual notice to the association of revocation. The death or
24 disability of an apartment owner does not revoke a ballot unless the
25 association has actual notice of the death or disability prior to the
26 date set forth in (b)(i) of this subsection.

27 (f) Approval by ballot pursuant to this subsection is valid only
28 if the number of votes cast by ballot equals or exceeds the quorum
29 required to be present at a meeting authorizing the action.

30 (g) If the association does not receive a sufficient number of
31 votes to constitute a quorum or to approve the proposal by the date
32 and time established for return of ballots, the board of directors
33 may extend the deadline for a reasonable period not to exceed eleven
34 months upon further notice to all members in accordance with (b) of
35 this subsection. In that event, all votes previously cast on the
36 proposal must be counted unless subsequently revoked as provided in
37 this section.

38 (h) A ballot or revocation is not effective until received by the
39 association.

1 (i) The association must give notice to apartment owners of any
2 action taken pursuant to this subsection within a reasonable time
3 after the action is taken.

4 (j) When an action is taken pursuant to this subsection, a record
5 of the action, including the ballots or a report of the persons
6 appointed to tabulate such ballots, must be kept with the minutes of
7 meetings of the association.

8 (7) If the governing documents require that votes on specified
9 matters affecting the common interest community be cast by lessees
10 rather than apartment owners of leased apartments:

11 (a) This section applies to lessees as if they were apartment
12 owners;

13 (b) Apartment owners that have leased their apartments to other
14 persons may not cast votes on those specified matters; and

15 (c) Lessees are entitled to notice of meetings, access to
16 records, and other rights respecting those matters as if they were
17 apartment owners.

18 (8) Apartment owners must also be given notice, in the manner
19 provided in section 2 of this act, of all meetings at which lessees
20 may be entitled to vote.

21 (9) In any vote of the apartment owners, votes allocated to an
22 apartment owned by the association must be cast in the same
23 proportion as the votes cast on the matter by apartment owners other
24 than the association.

25 **Sec. 4.** RCW 64.34.020 and 2011 c 189 s 1 are each reenacted and
26 amended to read as follows:

27 In the declaration and bylaws, unless specifically provided
28 otherwise or the context requires otherwise, and in this chapter:

29 (1) "Affiliate" means any person who controls, is controlled by,
30 or is under common control with the referenced person. A person
31 "controls" another person if the person: (a) Is a general partner,
32 officer, director, or employer of the referenced person; (b) directly
33 or indirectly or acting in concert with one or more other persons, or
34 through one or more subsidiaries, owns, controls, holds with power to
35 vote, or holds proxies representing, more than twenty percent of the
36 voting interest in the referenced person; (c) controls in any manner
37 the election of a majority of the directors of the referenced person;
38 or (d) has contributed more than twenty percent of the capital of the
39 referenced person. A person "is controlled by" another person if the

1 other person: (i) Is a general partner, officer, director, or
2 employer of the person; (ii) directly or indirectly or acting in
3 concert with one or more other persons, or through one or more
4 subsidiaries, owns, controls, holds with power to vote, or holds
5 proxies representing, more than twenty percent of the voting interest
6 in the person; (iii) controls in any manner the election of a
7 majority of the directors of the person; or (iv) has contributed more
8 than twenty percent of the capital of the person. Control does not
9 exist if the powers described in this subsection are held solely as
10 security for an obligation and are not exercised.

11 (2) "Allocated interests" means the undivided interest in the
12 common elements, the common expense liability, and votes in the
13 association allocated to each unit.

14 (3) "Assessment" means all sums chargeable by the association
15 against a unit including, without limitation: (a) Regular and special
16 assessments for common expenses, charges, and fines imposed by the
17 association; (b) interest and late charges on any delinquent account;
18 and (c) costs of collection, including reasonable attorneys' fees,
19 incurred by the association in connection with the collection of a
20 delinquent owner's account.

21 (4) "Association" or "unit owners' association" means the unit
22 owners' association organized under RCW 64.34.300.

23 (5) "Baseline funding plan" means establishing a reserve funding
24 goal of maintaining a reserve account balance above zero dollars
25 throughout the thirty-year study period described under RCW
26 64.34.380.

27 (6) "Board of directors" means the body, regardless of name, with
28 primary authority to manage the affairs of the association.

29 (7) "Common elements" means all portions of a condominium other
30 than the units.

31 (8) "Common expense liability" means the liability for common
32 expenses allocated to each unit pursuant to RCW 64.34.224.

33 (9) "Common expenses" means expenditures made by or financial
34 liabilities of the association, together with any allocations to
35 reserves.

36 (10) "Condominium" means real property, portions of which are
37 designated for separate ownership and the remainder of which is
38 designated for common ownership solely by the owners of those
39 portions. Real property is not a condominium unless the undivided
40 interests in the common elements are vested in the unit owners, and

1 unless a declaration and a survey map and plans have been recorded
2 pursuant to this chapter.

3 (11) "Contribution rate" means, in a reserve study as described
4 in RCW 64.34.380, the amount contributed to the reserve account so
5 that the association will have cash reserves to pay major
6 maintenance, repair, or replacement costs without the need of a
7 special assessment.

8 (12) "Conversion condominium" means a condominium (a) that at any
9 time before creation of the condominium was lawfully occupied wholly
10 or partially by a tenant or subtenant for residential purposes
11 pursuant to a rental agreement, oral or written, express or implied,
12 for which the tenant or subtenant had not received the notice
13 described in (b) of this subsection; or (b) that, at any time within
14 twelve months before the conveyance of, or acceptance of an agreement
15 to convey, any unit therein other than to a declarant or any
16 affiliate of a declarant, was lawfully occupied wholly or partially
17 by a residential tenant of a declarant or an affiliate of a declarant
18 and such tenant was not notified in writing, prior to lawfully
19 occupying a unit or executing a rental agreement, whichever event
20 first occurs, that the unit was part of a condominium and subject to
21 sale. "Conversion condominium" shall not include a condominium in
22 which, before July 1, 1990, any unit therein had been conveyed or
23 been made subject to an agreement to convey to any transferee other
24 than a declarant or an affiliate of a declarant.

25 (13) "Conveyance" means any transfer of the ownership of a unit,
26 including a transfer by deed or by real estate contract and, with
27 respect to a unit in a leasehold condominium, a transfer by lease or
28 assignment thereof, but shall not include a transfer solely for
29 security.

30 (14) "Dealer" means a person who, together with such person's
31 affiliates, owns or has a right to acquire either six or more units
32 in a condominium or fifty percent or more of the units in a
33 condominium containing more than two units.

34 (15) "Declarant" means:

35 (a) Any person who executes as declarant a declaration as defined
36 in subsection (17) of this section; or

37 (b) Any person who reserves any special declarant right in the
38 declaration; or

39 (c) Any person who exercises special declarant rights or to whom
40 special declarant rights are transferred; or

1 (d) Any person who is the owner of a fee interest in the real
2 property which is subjected to the declaration at the time of the
3 recording of an instrument pursuant to RCW 64.34.316 and who directly
4 or through one or more affiliates is materially involved in the
5 construction, marketing, or sale of units in the condominium created
6 by the recording of the instrument.

7 (16) "Declarant control" means the right of the declarant or
8 persons designated by the declarant to appoint and remove officers
9 and members of the board of directors, or to veto or approve a
10 proposed action of the board or association, pursuant to RCW
11 64.34.308 (5) or (6).

12 (17) "Declaration" means the document, however denominated, that
13 creates a condominium by setting forth the information required by
14 RCW 64.34.216 and any amendments to that document.

15 (18) "Development rights" means any right or combination of
16 rights reserved by a declarant in the declaration to: (a) Add real
17 property or improvements to a condominium; (b) create units, common
18 elements, or limited common elements within real property included or
19 added to a condominium; (c) subdivide units or convert units into
20 common elements; (d) withdraw real property from a condominium; or
21 (e) reallocate limited common elements with respect to units that
22 have not been conveyed by the declarant.

23 (19) "Dispose" or "disposition" means a voluntary transfer or
24 conveyance to a purchaser or lessee of any legal or equitable
25 interest in a unit, but does not include the transfer or release of a
26 security interest.

27 (20) "Effective age" means the difference between the estimated
28 useful life and remaining useful life.

29 (21) "Eligible mortgagee" means the holder of a mortgage on a
30 unit that has filed with the secretary of the association a written
31 request that it be given copies of notices of any action by the
32 association that requires the consent of mortgagees.

33 (22) "Foreclosure" means a forfeiture or judicial or nonjudicial
34 foreclosure of a mortgage or a deed in lieu thereof.

35 (23) "Full funding plan" means setting a reserve funding goal of
36 achieving one hundred percent fully funded reserves by the end of the
37 thirty-year study period described under RCW 64.34.380, in which the
38 reserve account balance equals the sum of the deteriorated portion of
39 all reserve components.

1 (24) "Fully funded balance" means the current value of the
2 deteriorated portion, not the total replacement value, of all the
3 reserve components. The fully funded balance for each reserve
4 component is calculated by multiplying the current replacement cost
5 of that reserve component by its effective age, then dividing the
6 result by that reserve component's useful life. The sum total of all
7 reserve components' fully funded balances is the association's fully
8 funded balance.

9 (25) "Identifying number" means the designation of each unit in a
10 condominium.

11 (26) "Leasehold condominium" means a condominium in which all or
12 a portion of the real property is subject to a lease, the expiration
13 or termination of which will terminate the condominium or reduce its
14 size.

15 (27) "Limited common element" means a portion of the common
16 elements allocated by the declaration or by operation of RCW
17 64.34.204 (2) or (4) for the exclusive use of one or more but fewer
18 than all of the units.

19 (28) "Master association" means an organization described in RCW
20 64.34.276, whether or not it is also an association described in RCW
21 64.34.300.

22 (29) "Mortgage" means a mortgage, deed of trust or real estate
23 contract.

24 (30) "Person" means a natural person, corporation, partnership,
25 limited partnership, trust, governmental subdivision or agency, or
26 other legal entity.

27 (31) "Purchaser" means any person, other than a declarant or a
28 dealer, who by means of a disposition acquires a legal or equitable
29 interest in a unit other than (a) a leasehold interest, including
30 renewal options, of less than twenty years at the time of creation of
31 the unit, or (b) as security for an obligation.

32 (32) "Real property" means any fee, leasehold or other estate or
33 interest in, over, or under land, including structures, fixtures, and
34 other improvements thereon and easements, rights and interests
35 appurtenant thereto which by custom, usage, or law pass with a
36 conveyance of land although not described in the contract of sale or
37 instrument of conveyance. "Real property" includes parcels, with or
38 without upper or lower boundaries, and spaces that may be filled with
39 air or water.

1 (33) "Remaining useful life" means the estimated time, in years,
2 before a reserve component will require major maintenance, repair, or
3 replacement to perform its intended function.

4 (34) "Replacement cost" means the current cost of replacing,
5 repairing, or restoring a reserve component to its original
6 functional condition.

7 (35) "Reserve component" means a common element whose cost of
8 maintenance, repair, or replacement is infrequent, significant, and
9 impractical to include in an annual budget.

10 (36) "Reserve study professional" means an independent person who
11 is suitably qualified by knowledge, skill, experience, training, or
12 education to prepare a reserve study in accordance with RCW 64.34.380
13 and 64.34.382.

14 (37) "Residential purposes" means use for dwelling or
15 recreational purposes, or both.

16 (38) "Significant assets" means that the current total cost of
17 major maintenance, repair, and replacement of the reserve components
18 is fifty percent or more of the gross budget of the association,
19 excluding reserve account funds.

20 (39) "Special declarant rights" means rights reserved for the
21 benefit of a declarant to: (a) Complete improvements indicated on
22 survey maps and plans filed with the declaration under RCW 64.34.232;
23 (b) exercise any development right under RCW 64.34.236; (c) maintain
24 sales offices, management offices, signs advertising the condominium,
25 and models under RCW 64.34.256; (d) use easements through the common
26 elements for the purpose of making improvements within the
27 condominium or within real property which may be added to the
28 condominium under RCW 64.34.260; (e) make the condominium part of a
29 larger condominium or a development under RCW 64.34.280; (f) make the
30 condominium subject to a master association under RCW 64.34.276; or
31 (g) appoint or remove any officer of the association or any master
32 association or any member of the board of directors, or to veto or
33 approve a proposed action of the board or association, during any
34 period of declarant control under RCW 64.34.308(5).

35 (40) "Timeshare" shall have the meaning specified in the
36 timeshare act, RCW 64.36.010(11).

37 (41) "Unit" means a physical portion of the condominium
38 designated for separate ownership, the boundaries of which are
39 described pursuant to RCW 64.34.216(1)(d). "Separate ownership"
40 includes leasing a unit in a leasehold condominium under a lease that

1 expires contemporaneously with any lease, the expiration or
2 termination of which will remove the unit from the condominium.

3 (42) "Unit owner" means a declarant or other person who owns a
4 unit or leases a unit in a leasehold condominium under a lease that
5 expires simultaneously with any lease, the expiration or termination
6 of which will remove the unit from the condominium, but does not
7 include a person who has an interest in a unit solely as security for
8 an obligation. "Unit owner" means the vendee, not the vendor, of a
9 unit under a real estate contract.

10 (43) "Useful life" means the estimated time, between years, that
11 major maintenance, repair, or replacement is estimated to occur.

12 (44) "Electronic transmission" or "electronically transmitted"
13 means any electronic communication not directly involving the
14 physical transfer of a writing in a tangible medium, but that may be
15 retained, retrieved, and reviewed by the sender and the recipient of
16 the communication, and that may be directly reproduced in a tangible
17 medium by a sender and recipient.

18 (45) "Tangible medium" means a writing, copy of a writing,
19 facsimile, or a physical reproduction, each on paper or on other
20 tangible material.

21 **Sec. 5.** RCW 64.34.332 and 1989 c 43 s 3-109 are each amended to
22 read as follows:

23 A meeting of the association must be held at least once each
24 year. Special meetings of the association may be called by the
25 president, a majority of the board of directors, or by unit owners
26 having twenty percent or any lower percentage specified in the
27 declaration or bylaws of the votes in the association. Not less than
28 ~~((ten))~~ fourteen nor more than ~~((sixty))~~ fifty days in advance of any
29 meeting, the secretary or other officer specified in the bylaws shall
30 cause notice to be ~~((hand-delivered or sent prepaid by first-class~~
31 ~~United States mail to the mailing address of each unit or to any~~
32 ~~other mailing address designated in writing by the unit owner))~~
33 provided in accordance with this chapter. The notice of any meeting
34 shall state the time and place of the meeting and the items on the
35 agenda to be voted on by the members, including the general nature of
36 any proposed amendment to the declaration or bylaws, changes in the
37 previously approved budget that result in a change in assessment
38 obligations, and any proposal to remove a director or officer.

1 **Sec. 6.** RCW 64.34.340 and 1992 c 220 s 17 are each amended to
2 read as follows:

3 ~~((1) If only one of the multiple owners of a unit is present at
4 a meeting of the association or has delivered a written ballot or
5 proxy to the association secretary, the owner is entitled to cast all
6 the votes allocated to that unit. If more than one of the multiple
7 owners are present or has delivered a written ballot or proxy to the
8 association secretary, the votes allocated to that unit may be cast
9 only in accordance with the agreement of a majority in interest of
10 the multiple owners, unless the declaration expressly provides
11 otherwise. There is majority agreement if any one of the multiple
12 owners casts the votes allocated to that unit without protest being
13 made promptly to the person presiding over the meeting by any of the
14 other owners of the unit.~~

15 ~~(2) Votes allocated to a unit may be cast pursuant to a proxy
16 duly executed by a unit owner. If a unit is owned by more than one
17 person, each owner of the unit may vote or register protest to the
18 casting of votes by the other owners of the unit through a duly
19 executed proxy. A unit owner may not revoke a proxy given pursuant to
20 this section except by actual notice of revocation to the person
21 presiding over a meeting of the association. A proxy is void if it is
22 not dated or purports to be revocable without notice. Unless stated
23 otherwise in the proxy, a proxy terminates eleven months after its
24 date of issuance.~~

25 ~~(3) If the declaration requires that votes on specified matters
26 affecting the condominium be cast by lessees rather than unit owners
27 of leased units: (a) The provisions of subsections (1) and (2) of
28 this section apply to lessees as if they were unit owners; (b) unit
29 owners who have leased their units to other persons may not cast
30 votes on those specified matters; and (c) lessees are entitled to
31 notice of meetings, access to records, and other rights respecting
32 those matters as if they were unit owners. Unit owners must also be
33 given notice, in the manner provided in RCW 64.34.332, of all
34 meetings at which lessees may be entitled to vote.~~

35 ~~(4) No votes allocated to a unit owned by the association may be
36 cast, and in determining the percentage of votes required to act on
37 any matter, the votes allocated to units owned by the association
38 shall be disregarded.)~~ (1) Unit owners may vote at a meeting in
39 person, by absentee ballot pursuant to subsection (3)(d) of this
40 section, or by a proxy pursuant to subsection (5) of this section.

1 (2) When a vote is conducted without a meeting, unit owners may
2 vote by ballot pursuant to subsection (6) of this section.

3 (3) At a meeting of unit owners the following requirements apply:

4 (a) Unit owners or their proxies who are present in person may
5 vote by voice vote, show of hands, standing, written ballot, or any
6 other method for determining the votes of unit owners, as designated
7 by the person presiding at the meeting.

8 (b) If only one of several unit owners of a unit is present, that
9 unit owner is entitled to cast all the votes allocated to that unit.
10 If more than one of the unit owners are present, the votes allocated
11 to that unit may be cast only in accordance with the agreement of a
12 majority in interest of the unit owners, unless the declaration
13 expressly provides otherwise. There is a majority agreement if any
14 one of the unit owners casts the votes allocated to the unit without
15 protest being made promptly to the person presiding over the meeting
16 by any of the other unit owners of the unit.

17 (c) Unless a greater number or fraction of the votes in the
18 association is required under this chapter or the declaration or
19 organizational documents, a majority of the votes cast determines the
20 outcome of any action of the association.

21 (d) Whenever proposals or board members are to be voted upon at a
22 meeting, a unit owner may vote by duly executed absentee ballot if:

23 (i) The name of each candidate and the text of each proposal to
24 be voted upon are set forth in a writing accompanying or contained in
25 the notice of meeting; and

26 (ii) A ballot is provided by the association for such purpose.

27 (4) When a unit owner votes by absentee ballot, the association
28 must be able to verify that the ballot is cast by the unit owner
29 having the right to do so.

30 (5) Except as provided otherwise in the declaration or
31 organizational documents, the following requirements apply with
32 respect to proxy voting:

33 (a) Votes allocated to a unit may be cast pursuant to a directed
34 or undirected proxy duly executed by a unit owner in the same manner
35 as provided in RCW 24.06.110.

36 (b) If a unit is owned by more than one person, each unit owner
37 of the unit may vote or register protest to the casting of votes by
38 the other unit owners of the unit through a duly executed proxy.

39 (c) A unit owner may revoke a proxy given pursuant to this
40 section only by actual notice of revocation to the secretary or the

1 person presiding over a meeting of the association or by delivery of
2 a subsequent proxy. The death or disability of a unit owner does not
3 revoke a proxy given by the unit owner unless the person presiding
4 over the meeting has actual notice of the death or disability.

5 (d) A proxy is void if it is not dated or purports to be
6 revocable without notice.

7 (e) Unless stated otherwise in the proxy, a proxy terminates
8 eleven months after its date of issuance.

9 (6) Unless prohibited or limited by the declaration or
10 organizational documents, an association may conduct a vote without a
11 meeting. In that event, the following requirements apply:

12 (a) The association must notify the unit owners that the vote
13 will be taken by ballot.

14 (b) The notice must state:

15 (i) The time and date by which a ballot must be delivered to the
16 association to be counted, which may not be fewer than fourteen days
17 after the date of the notice, and which deadline may be extended in
18 accordance with (g) of this subsection;

19 (ii) The percent of votes necessary to meet the quorum
20 requirements;

21 (iii) The percent of votes necessary to approve each matter other
22 than election of board members; and

23 (iv) The time, date, and manner by which unit owners wishing to
24 deliver information to all unit owners regarding the subject of the
25 vote may do so.

26 (c) The association must deliver a ballot to every unit owner
27 with the notice.

28 (d) The ballot must set forth each proposed action and provide an
29 opportunity to vote for or against the action.

30 (e) A ballot cast pursuant to this section may be revoked only by
31 actual notice to the association of revocation. The death or
32 disability of a unit owner does not revoke a ballot unless the
33 association has actual notice of the death or disability prior to the
34 date set forth in (b) (i) of this subsection.

35 (f) Approval by ballot pursuant to this subsection is valid only
36 if the number of votes cast by ballot equals or exceeds the quorum
37 required to be present at a meeting authorizing the action.

38 (g) If the association does not receive a sufficient number of
39 votes to constitute a quorum or to approve the proposal by the date
40 and time established for return of ballots, the board of directors

1 may extend the deadline for a reasonable period not to exceed eleven
2 months upon further notice to all members in accordance with (b) of
3 this subsection. In that event, all votes previously cast on the
4 proposal must be counted unless subsequently revoked as provided in
5 this section.

6 (h) A ballot or revocation is not effective until received by the
7 association.

8 (i) The association must give notice to unit owners of any action
9 taken pursuant to this subsection within a reasonable time after the
10 action is taken.

11 (j) When an action is taken pursuant to this subsection, a record
12 of the action, including the ballots or a report of the persons
13 appointed to tabulate such ballots, must be kept with the minutes of
14 meetings of the association.

15 (7) If the governing documents require that votes on specified
16 matters affecting the common interest community be cast by lessees
17 rather than unit owners of leased units:

18 (a) This section applies to lessees as if they were unit owners;

19 (b) Unit owners that have leased their units to other persons may
20 not cast votes on those specified matters; and

21 (c) Lessees are entitled to notice of meetings, access to
22 records, and other rights respecting those matters as if they were
23 unit owners.

24 (8) Unit owners must also be given notice, in the manner provided
25 in section 8 of this act, of all meetings at which lessees may be
26 entitled to vote.

27 (9) In any vote of the unit owners, votes allocated to a unit
28 owned by the association must be cast in the same proportion as the
29 votes cast on the matter by unit owners other than the association.

30 **Sec. 7.** RCW 64.34.352 and 1992 c 220 s 18 are each amended to
31 read as follows:

32 (1) Commencing not later than the time of the first conveyance of
33 a unit to a person other than a declarant, the association shall
34 maintain, to the extent reasonably available:

35 (a) Property insurance on the condominium, which may, but need
36 not, include equipment, improvements, and betterments in a unit
37 installed by the declarant or the unit owners, insuring against all
38 risks of direct physical loss commonly insured against. The total
39 amount of insurance after application of any deductibles shall be not

1 less than eighty percent, or such greater amount specified in the
2 declaration, of the actual cash value of the insured property at the
3 time the insurance is purchased and at each renewal date, exclusive
4 of land, excavations, foundations, and other items normally excluded
5 from property policies; and

6 (b) Liability insurance, including medical payments insurance, in
7 an amount determined by the board of directors but not less than the
8 amount specified in the declaration, covering all occurrences
9 commonly insured against for death, bodily injury, and property
10 damage arising out of or in connection with the use, ownership, or
11 maintenance of the common elements.

12 (2) If the insurance described in subsection (1) of this section
13 is not reasonably available, or is modified, canceled, or not
14 renewed, the association promptly shall cause notice of that fact to
15 be (~~hand-delivered or sent prepaid by first-class United States~~
16 ~~mail~~) provided to each unit owner in accordance with this chapter,
17 to all unit owners, to each eligible mortgagee, and to each mortgagee
18 to whom a certificate or memorandum of insurance has been issued at
19 their respective last known addresses. The declaration may require
20 the association to carry any other insurance, and the association in
21 any event may carry any other insurance it deems appropriate to
22 protect the association or the unit owners.

23 (3) Insurance policies carried pursuant to subsection (1) of this
24 section shall provide that:

25 (a) Each unit owner is an insured person under the policy with
26 respect to liability arising out of the owner's interest in the
27 common elements or membership in the association;

28 (b) The insurer waives its right to subrogation under the policy
29 against any unit owner, member of the owner's household, and lessee
30 of the owner;

31 (c) No act or omission by any unit owner, unless acting within
32 the scope of the owner's authority on behalf of the association, will
33 void the policy or be a condition to recovery under the policy; and

34 (d) If, at the time of a loss under the policy, there is other
35 insurance in the name of a unit owner covering the same risk covered
36 by the policy, the association's policy provides primary insurance.

37 (4) Any loss covered by the property insurance under subsection
38 (1)(a) of this section must be adjusted with the association, but the
39 insurance proceeds for that loss are payable to any insurance trustee
40 designated for that purpose, or otherwise to the association, and not

1 to any holder of a mortgage. The insurance trustee or the association
2 shall hold any insurance proceeds in trust for unit owners and
3 lienholders as their interests may appear. Subject to the provisions
4 of subsection (7) of this section, the proceeds must be disbursed
5 first for the repair or restoration of the damaged property, and unit
6 owners and lienholders are not entitled to receive payment of any
7 portion of the proceeds unless there is a surplus of proceeds after
8 the property has been completely repaired or restored or the
9 condominium is terminated.

10 (5) An insurance policy issued to the association does not
11 prevent a unit owner from obtaining insurance for the owner's own
12 benefit.

13 (6) An insurer that has issued an insurance policy under this
14 section shall issue certificates or memoranda of insurance to the
15 association and, upon written request, to any unit owner or holder of
16 a mortgage. The insurer issuing the policy may not modify the amount
17 or the extent of the coverage of the policy or cancel or refuse to
18 renew the policy unless the insurer has complied with all applicable
19 provisions of chapter 48.18 RCW pertaining to the cancellation or
20 nonrenewal of contracts of insurance. The insurer shall not modify
21 the amount or the extent of the coverage of the policy, or cancel or
22 refuse to renew the policy without complying with this section.

23 (7) Any portion of the condominium for which insurance is
24 required under this section which is damaged or destroyed shall be
25 repaired or replaced promptly by the association unless: (a) The
26 condominium is terminated; (b) repair or replacement would be illegal
27 under any state or local health or safety statute or ordinance; or
28 (c) eighty percent of the unit owners, including every owner of a
29 unit or assigned limited common element which will not be rebuilt,
30 vote not to rebuild. The cost of repair or replacement in excess of
31 insurance proceeds and reserves is a common expense. If all of the
32 damaged or destroyed portions of the condominium are not repaired or
33 replaced: (i) The insurance proceeds attributable to the damaged
34 common elements shall be used to restore the damaged area to a
35 condition compatible with the remainder of the condominium; (ii) the
36 insurance proceeds attributable to units and limited common elements
37 which are not rebuilt shall be distributed to the owners of those
38 units and the owners of the units to which those limited common
39 elements were allocated, or to lienholders, as their interests may
40 appear; and (iii) the remainder of the proceeds shall be distributed

1 to all the unit owners or lienholders, as their interests may appear,
2 in proportion to the common element interests of all the units. If
3 the unit owners vote not to rebuild any unit, that unit's allocated
4 interests are automatically reallocated upon the vote as if the unit
5 had been condemned under RCW 64.34.060(1), and the association
6 promptly shall prepare, execute, and record an amendment to the
7 declaration reflecting the reallocations. Notwithstanding the
8 provisions of this subsection, RCW 64.34.268 governs the distribution
9 of insurance proceeds if the condominium is terminated.

10 (8) The provisions of this section may be varied or waived as
11 provided in the declaration if all units of a condominium are
12 restricted to nonresidential use.

13 NEW SECTION. **Sec. 8.** A new section is added to chapter 64.34
14 RCW to read as follows:

15 (1) Notwithstanding any inconsistent provision in the governing
16 documents, notice to the association, board of directors, or any
17 owner or occupant of a unit under this chapter shall be in writing
18 and shall be provided to the recipient by personal delivery, public
19 or private mail or delivery service, or by electronic transmission as
20 provided in this section: PROVIDED, That if this chapter requires
21 different or additional notice requirements for particular
22 circumstances, those requirements shall apply.

23 (2) Notice in a tangible medium shall be provided as follows:

24 (a) Notice to the association or board of directors shall be
25 addressed to the association's registered agent at its registered
26 office, to the association at its principal office shown in its most
27 recent annual report, or to an address provided by the association to
28 the unit owners.

29 (b) Notice to a unit owner or occupant shall be addressed to the
30 unit address unless the unit owner has requested, in a writing
31 delivered to the association, that notices be sent to an alternate
32 address.

33 (3) Notice in an electronic transmission shall be provided as
34 follows:

35 (a) Notice to the association, the board of directors, or unit
36 owners by electronic transmission is effective only upon those who
37 have consented, in writing, to receive electronically transmitted
38 notices under this chapter and have designated the address, location,
39 or system to which such notices may be electronically transmitted,

1 provided that such notice otherwise complies with any other
2 requirements of this chapter and applicable law.

3 (b) Notice under this subsection includes any materials that
4 accompany the notice.

5 (c) Owners who have consented to receipt of electronically
6 transmitted notices may revoke this consent by delivering a
7 revocation to the association in writing.

8 (d) The consent of any owner is revoked if the association is
9 unable to electronically transmit two consecutive notices and this
10 inability becomes known to the secretary of the association or any
11 other person responsible for giving the notice. The inadvertent
12 failure by the association to treat this inability as a revocation
13 does not invalidate any meeting or other action.

14 (e) Notice to unit owners who have consented to receipt of
15 electronically transmitted notices may be provided by posting the
16 notice on an electronic network and delivering to the unit owner
17 separate notice of the posting, together with comprehensible
18 instructions regarding how to obtain access to the posting on the
19 electronic network.

20 (4) Notice is effective as follows:

21 (a) Notice provided in a tangible medium is effective as of the
22 date of hand delivery, deposit with the carrier, or when sent by fax.

23 (b) Notice provided in an electronic transmission is effective as
24 of the date it:

25 (i) Is electronically transmitted to an address, location, or
26 system designated by the recipient for that purpose; or

27 (ii) Has been posted on an electronic network and separate notice
28 of the posting has been sent to the recipient containing instructions
29 regarding how to obtain access to the posting on the electronic
30 network.

31 (5) The ineffectiveness of a good faith effort to deliver notice
32 by an authorized means does not invalidate action taken at or without
33 a meeting.

34 (6) This chapter modifies, limits, and supersedes the federal
35 electronic signatures in global and national commerce act, 15 U.S.C.
36 Sec. 7001 et seq., but does not modify, limit, or supersede 15 U.S.C.
37 Sec. 7001(c) or authorize electronic delivery of any of the notices
38 described in 15 U.S.C. Sec. 7003(b).

1 **Sec. 9.** RCW 64.38.010 and 2011 c 189 s 7 are each reenacted and
2 amended to read as follows:

3 For purposes of this chapter:

4 (1) "Assessment" means all sums chargeable to an owner by an
5 association in accordance with RCW 64.38.020.

6 (2) "Baseline funding plan" means establishing a reserve funding
7 goal of maintaining a reserve account balance above zero dollars
8 throughout the thirty-year study period described under RCW
9 64.38.065.

10 (3) "Board of directors" or "board" means the body, regardless of
11 name, with primary authority to manage the affairs of the
12 association.

13 (4) "Common areas" means property owned, or otherwise maintained,
14 repaired or administered by the association.

15 (5) "Common expense" means the costs incurred by the association
16 to exercise any of the powers provided for in this chapter.

17 (6) "Contribution rate" means, in a reserve study as described in
18 RCW (~~64.34.380~~) 64.38.065, the amount contributed to the reserve
19 account so that the association will have cash reserves to pay major
20 maintenance, repair, or replacement costs without the need of a
21 special assessment.

22 (7) "Effective age" means the difference between the estimated
23 useful life and remaining useful life.

24 (8) "Full funding plan" means setting a reserve funding goal of
25 achieving one hundred percent fully funded reserves by the end of the
26 thirty-year study period described under RCW 64.38.065, in which the
27 reserve account balance equals the sum of the deteriorated portion of
28 all reserve components.

29 (9) "Fully funded balance" means the current value of the
30 deteriorated portion, not the total replacement value, of all the
31 reserve components. The fully funded balance for each reserve
32 component is calculated by multiplying the current replacement cost
33 of the reserve component by its effective age, then dividing the
34 result by the reserve component's useful life. The sum total of all
35 reserve components' fully funded balances is the association's fully
36 funded balance.

37 (10) "Governing documents" means the articles of incorporation,
38 bylaws, plat, declaration of covenants, conditions, and restrictions,
39 rules and regulations of the association, or other written instrument
40 by which the association has the authority to exercise any of the

1 powers provided for in this chapter or to manage, maintain, or
2 otherwise affect the property under its jurisdiction.

3 (11) "Homeowners' association" or "association" means a
4 corporation, unincorporated association, or other legal entity, each
5 member of which is an owner of residential real property located
6 within the association's jurisdiction, as described in the governing
7 documents, and by virtue of membership or ownership of property is
8 obligated to pay real property taxes, insurance premiums, maintenance
9 costs, or for improvement of real property other than that which is
10 owned by the member. "Homeowners' association" does not mean an
11 association created under chapter 64.32 or 64.34 RCW.

12 (12) "Lot" means a physical portion of the real property located
13 within an association's jurisdiction designated for separate
14 ownership.

15 (13) "Owner" means the owner of a lot, but does not include a
16 person who has an interest in a lot solely as security for an
17 obligation. "Owner" also means the vendee, not the vendor, of a lot
18 under a real estate contract.

19 (14) "Remaining useful life" means the estimated time, in years,
20 before a reserve component will require major maintenance, repair, or
21 replacement to perform its intended function.

22 (15) "Replacement cost" means the current cost of replacing,
23 repairing, or restoring a reserve component to its original
24 functional condition.

25 (16) "Reserve component" means a common element whose cost of
26 maintenance, repair, or replacement is infrequent, significant, and
27 impractical to include in an annual budget.

28 (17) "Reserve study professional" means an independent person who
29 is suitably qualified by knowledge, skill, experience, training, or
30 education to prepare a reserve study in accordance with RCW
31 (~~(64.34.380)~~) 64.38.065 and (~~(64.34.382)~~) 64.38.070.

32 (18) "Residential real property" means any real property, the use
33 of which is limited by law, covenant or otherwise to primarily
34 residential or recreational purposes.

35 (19) "Significant assets" means that the current replacement
36 value of the major reserve components is seventy-five percent or more
37 of the gross budget of the association, excluding the association's
38 reserve account funds.

39 (20) "Useful life" means the estimated time, between years, that
40 major maintenance, repair, or replacement is estimated to occur.

1 (21) "Electronic transmission" or "electronically transmitted"
2 means any electronic communication not directly involving the
3 physical transfer of a writing in a tangible medium, but that may be
4 retained, retrieved, and reviewed by the sender and the recipient of
5 the communication, and that may be directly reproduced in a tangible
6 medium by a sender and recipient.

7 (22) "Tangible medium" means a writing, copy of a writing,
8 facsimile, or a physical reproduction, each on paper or on other
9 tangible material.

10 **Sec. 10.** RCW 64.38.035 and 2014 c 20 s 1 are each amended to
11 read as follows:

12 (1) A meeting of the association must be held at least once each
13 year. Special meetings of the association may be called by the
14 president, a majority of the board of directors, or by owners having
15 ten percent of the votes in the association. The association must
16 make available to each owner of record for examination and copying
17 minutes from the previous association meeting not more than sixty
18 days after the meeting. Minutes of the previous association meeting
19 must be approved at the next association meeting in accordance with
20 the association's governing documents.

21 (2) Not less than fourteen nor more than ~~((sixty))~~ fifty days in
22 advance of any meeting of the association, the secretary or other
23 officers specified in the bylaws shall ~~((provide written))~~ cause
24 notice of the meeting to be provided to each owner ~~((of record by:~~

25 ~~(a) Hand-delivery to the mailing address of the owner or other~~
26 ~~address designated in writing by the owner;~~

27 ~~(b) Prepaid first-class United States mail to the mailing address~~
28 ~~of the owner or to any other mailing address designated in writing by~~
29 ~~the owner; or~~

30 ~~(c) Electronic transmission to an address, location, or system~~
31 ~~designated in writing by the owner. Notice to owners by an electronic~~
32 ~~transmission complies with this section only with respect to those~~
33 ~~owners who have delivered to the secretary or other officers~~
34 ~~specified in the bylaws a written record consenting to receive~~
35 ~~electronically transmitted notices. An owner who has consented to~~
36 ~~receipt of electronically transmitted notices may revoke the consent~~
37 ~~at any time by delivering a written record of the revocation to the~~
38 ~~secretary or other officer specified in the bylaws. Consent is deemed~~
39 ~~revoked if the secretary or other officer specified in the bylaws is~~

1 ~~unable to electronically transmit two consecutive notices given in~~
2 ~~accordance with the consent)) in accordance with this chapter.~~

3 (3) The notice of any meeting shall state the time and place of
4 the meeting and the business to be placed on the agenda by the board
5 of directors for a vote by the owners, including the general nature
6 of any proposed amendment to the articles of incorporation, bylaws,
7 any budget or changes in the previously approved budget that result
8 in a change in assessment obligation, and any proposal to remove a
9 director.

10 (4) Except as provided in this subsection, all meetings of the
11 board of directors shall be open for observation by all owners of
12 record and their authorized agents. The board of directors shall keep
13 minutes of all actions taken by the board, which shall be available
14 to all owners. Upon the affirmative vote in open meeting to assemble
15 in closed session, the board of directors may convene in closed
16 executive session to consider personnel matters; consult with legal
17 counsel or consider communications with legal counsel; and discuss
18 likely or pending litigation, matters involving possible violations
19 of the governing documents of the association, and matters involving
20 the possible liability of an owner to the association. The motion
21 shall state specifically the purpose for the closed session.
22 Reference to the motion and the stated purpose for the closed session
23 shall be included in the minutes. The board of directors shall
24 restrict the consideration of matters during the closed portions of
25 meetings only to those purposes specifically exempted and stated in
26 the motion. No motion, or other action adopted, passed, or agreed to
27 in closed session may become effective unless the board of directors,
28 following the closed session, reconvenes in open meeting and votes in
29 the open meeting on such motion, or other action which is reasonably
30 identified. The requirements of this subsection shall not require the
31 disclosure of information in violation of law or which is otherwise
32 exempt from disclosure.

33 NEW SECTION. **Sec. 11.** A new section is added to chapter 64.38
34 RCW to read as follows:

35 (1) Notwithstanding any inconsistent provision in the governing
36 documents, notice to the association of apartment owners, board, or
37 any apartment owner or occupant of an apartment under this chapter
38 shall be in writing and shall be provided to the recipient by
39 personal delivery, public or private mail or delivery service, or by

1 electronic transmission as provided in this section: PROVIDED, That
2 if this chapter requires different or additional notice requirements
3 for particular circumstances, those requirements shall apply.

4 (2) Notice in a tangible medium shall be provided as follows:

5 (a) Notice to the association or board shall be addressed to the
6 association's registered agent at its registered office, to the
7 association at its principal office shown in its most recent annual
8 report, or to an address provided by the association to the apartment
9 owners.

10 (b) Notice to a lot owner or occupant shall be addressed to the
11 lot address unless the owner has requested, in a writing delivered to
12 the association, that notices be sent to an alternate address.

13 (3) Notice in an electronic transmission shall be provided as
14 follows:

15 (a) Notice to the association, the board, or lot owners by
16 electronic transmission is effective only upon those who have
17 consented, in writing, to receive electronically transmitted notices
18 under this chapter and have designated the address, location, or
19 system to which such notices may be electronically transmitted,
20 provided that such notice otherwise complies with any other
21 requirements of this chapter and applicable law.

22 (b) Notice under this subsection includes any materials that
23 accompany the notice.

24 (c) Owners who have consented to receipt of electronically
25 transmitted notices may revoke this consent by delivering a
26 revocation to the association in writing.

27 (d) The consent of any lot owner is revoked if the association is
28 unable to electronically transmit two consecutive notices and this
29 inability becomes known to the secretary of the association of
30 apartment owners or any other person responsible for giving the
31 notice. The inadvertent failure by the association of apartment
32 owners to treat this inability as a revocation does not invalidate
33 any meeting or other action.

34 (e) Notice to lot owners who have consented to receipt of
35 electronically transmitted notices may be provided by posting the
36 notice on an electronic network and delivering to the owner separate
37 notice of the posting, together with comprehensible instructions
38 regarding how to obtain access to the posting on the electronic
39 network.

40 (4) Notice is effective as follows:

1 (a) Notice provided in a tangible medium is effective as of the
2 date of hand delivery, deposit with the carrier, or when sent by fax.

3 (b) Notice provided in an electronic transmission is effective as
4 of the date it:

5 (i) Is electronically transmitted to an address, location, or
6 system designated by the recipient for that purpose; or

7 (ii) Has been posted on an electronic network and separate notice
8 of the posting has been sent to the recipient containing instructions
9 regarding how to obtain access to the posting on the electronic
10 network.

11 (5) The ineffectiveness of a good faith effort to deliver notice
12 by an authorized means does not invalidate action taken at or without
13 a meeting.

14 (6) This chapter modifies, limits, and supersedes the federal
15 electronic signatures in global and national commerce act, 15 U.S.C.
16 Sec. 7001 et seq., but does not modify, limit, or supersede 15 U.S.C.
17 Sec. 7001(c) or authorize electronic delivery of any of the notices
18 described in 15 U.S.C. Sec. 7003(b).

19 NEW SECTION. **Sec. 12.** A new section is added to chapter 64.38
20 RCW to read as follows:

21 (1) Owners may vote at a meeting in person, by absentee ballot
22 pursuant to subsection (3)(d) of this section, or by a proxy pursuant
23 to subsection (5) of this section.

24 (2) When a vote is conducted without a meeting, owners may vote
25 by ballot pursuant to subsection (6) of this section.

26 (3) At a meeting of owners the following requirements apply:

27 (a) Owners or their proxies who are present in person may vote by
28 voice vote, show of hands, standing, written ballot, or any other
29 method for determining the votes of owners, as designated by the
30 person presiding at the meeting.

31 (b) If only one of several owners of a lot is present, that lot
32 owner is entitled to cast all the votes allocated to that lot. If
33 more than one of the lot owners are present, the votes allocated to
34 that lot may be cast only in accordance with the agreement of a
35 majority in interest of the lot owners, unless the declaration
36 expressly provides otherwise. There is a majority agreement if any
37 one of the lot owners casts the votes allocated to the lot without
38 protest being made promptly to the person presiding over the meeting
39 by any of the other lot owners of the lot.

1 (c) Unless a greater number or fraction of the votes in the
2 association is required under this chapter or the declaration or
3 organizational documents, a majority of the votes cast determines the
4 outcome of any action of the association.

5 (d) Whenever proposals or board members are to be voted upon at a
6 meeting, an owner may vote by duly executed absentee ballot if:

7 (i) The name of each candidate and the text of each proposal to
8 be voted upon are set forth in a writing accompanying or contained in
9 the notice of meeting; and

10 (ii) A ballot is provided by the association for such purpose.

11 (4) When an owner votes by absentee ballot, the association must
12 be able to verify that the ballot is cast by the owner having the
13 right to do so.

14 (5) Except as provided otherwise in the declaration or
15 organizational documents, the following requirements apply with
16 respect to proxy voting:

17 (a) Votes allocated to a lot may be cast pursuant to a directed
18 or undirected proxy duly executed by a lot owner in the same manner
19 as provided in RCW 24.06.110.

20 (b) If a lot is owned by more than one person, each lot owner of
21 the lot may vote or register protest to the casting of votes by the
22 other lot owners of the lot through a duly executed proxy.

23 (c) An owner may revoke a proxy given pursuant to this section
24 only by actual notice of revocation to the secretary or the person
25 presiding over a meeting of the association or by delivery of a
26 subsequent proxy. The death or disability of an owner does not revoke
27 a proxy given by the owner unless the person presiding over the
28 meeting has actual notice of the death or disability.

29 (d) A proxy is void if it is not dated or purports to be
30 revocable without notice.

31 (e) Unless stated otherwise in the proxy, a proxy terminates
32 eleven months after its date of issuance.

33 (6) Unless prohibited or limited by the declaration or
34 organizational documents, an association may conduct a vote without a
35 meeting. In that event, the following requirements apply:

36 (a) The association must notify the owners that the vote will be
37 taken by ballot.

38 (b) The notice must state:

39 (i) The time and date by which a ballot must be delivered to the
40 association to be counted, which may not be fewer than fourteen days

1 after the date of the notice, and which deadline may be extended in
2 accordance with (g) of this subsection;

3 (ii) The percent of votes necessary to meet the quorum
4 requirements;

5 (iii) The percent of votes necessary to approve each matter other
6 than election of board members; and

7 (iv) The time, date, and manner by which owners wishing to
8 deliver information to all owners regarding the subject of the vote
9 may do so.

10 (c) The association must deliver a ballot to every owner with the
11 notice.

12 (d) The ballot must set forth each proposed action and provide an
13 opportunity to vote for or against the action.

14 (e) A ballot cast pursuant to this section may be revoked only by
15 actual notice to the association of revocation. The death or
16 disability of an owner does not revoke a ballot unless the
17 association has actual notice of the death or disability prior to the
18 date set forth in (b) (i) of this subsection.

19 (f) Approval by ballot pursuant to this subsection is valid only
20 if the number of votes cast by ballot equals or exceeds the quorum
21 required to be present at a meeting authorizing the action.

22 (g) If the association does not receive a sufficient number of
23 votes to constitute a quorum or to approve the proposal by the date
24 and time established for return of ballots, the board may extend the
25 deadline for a reasonable period not to exceed eleven months upon
26 further notice to all members in accordance with (b) of this
27 subsection. In that event, all votes previously cast on the proposal
28 must be counted unless subsequently revoked as provided in this
29 section.

30 (h) A ballot or revocation is not effective until received by the
31 association.

32 (i) The association must give notice to owners of any action
33 taken pursuant to this subsection within a reasonable time after the
34 action is taken.

35 (j) When an action is taken pursuant to this subsection, a record
36 of the action, including the ballots or a report of the persons
37 appointed to tabulate such ballots, must be kept with the minutes of
38 meetings of the association.

1 (7) If the governing documents require that votes on specified
2 matters affecting the common interest community be cast by lessees
3 rather than owners of leased lots:
4 (a) This section applies to lessees as if they were owners;
5 (b) Owners that have leased their lots to other persons may not
6 cast votes on those specified matters; and
7 (c) Lessees are entitled to notice of meetings, access to
8 records, and other rights respecting those matters as if they were
9 owners.
10 (8) Owners must also be given notice, in the manner provided in
11 section 11 of this act, of all meetings at which lessees may be
12 entitled to vote.
13 (9) In any vote of the lot owners, votes allocated to a lot owned
14 by the association must be cast in the same proportion as the votes
15 cast on the matter by lot owners other than the association.

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