<u>SSB 5129</u> - S AMD TO S AMD (S-1113.2/25) 18 By Senator Harris

NOT ADOPTED 02/12/2025

1 On page 81, after line 13, insert the following:

2 "Sec. 32. RCW 64.38.010 and 2023 c 337 s 2 are each amended to 3 read as follows:

4 For purposes of this chapter:

5 (1) "Assessment" means all sums chargeable to an owner by an 6 association in accordance with RCW 64.38.020.

7 (2) "Baseline funding plan" means establishing a reserve funding
8 goal of maintaining a reserve account balance above \$0 throughout the
9 30-year study period described under RCW 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.

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

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

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

(7) "Effective age" means the difference between the estimateduseful life and remaining useful life.

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

30 (9) "Full funding plan" means setting a reserve funding goal of 31 achieving one hundred percent fully funded reserves by the end of the 32 30-year study period described under RCW 64.38.065, in which the

1 reserve account balance equals the sum of the deteriorated portion of 2 all reserve components.

(10) "Fully funded balance" means the current value of the 3 deteriorated portion, not the total replacement value, of all the 4 reserve components. The fully funded balance for each reserve 5 6 component is calculated by multiplying the current replacement cost of the reserve component by its effective age, then dividing the 7 result by the reserve component's useful life. The sum total of all 8 reserve components' fully funded balances is the association's fully 9 10 funded balance.

(11) "Governing documents" means the articles of incorporation, bylaws, plat, declaration of covenants, conditions, and restrictions, rules and regulations of the association, or other written instrument by which the association has the authority to exercise any of the powers provided for in this chapter or to manage, maintain, or otherwise affect the property under its jurisdiction.

17 "Homeowners' association" or "association" means a (12)corporation, unincorporated association, or other legal entity, each 18 member of which is an owner of residential real property located 19 within the association's jurisdiction, as described in the governing 20 21 documents, and by virtue of membership or ownership of property is 22 obligated to pay real property taxes, insurance premiums, maintenance costs, or for improvement of real property other than that which is 23 owned by the member. "Homeowners' association" does not mean an 24 25 association created under chapter 64.32, 64.34, or 64.90 RCW.

26 (13) "Lot" means a physical portion of the real property located 27 within an association's jurisdiction designated for separate 28 ownership.

29 (14) <u>"Office" means the office of the homeowners' association</u> 30 <u>ombuds.</u>

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(15) "Ombuds" means the homeowners' association ombuds.

32 <u>(16)</u> "Owner" means the owner of a lot, but does not include a 33 person who has an interest in a lot solely as security for an 34 obligation. "Owner" also means the vendee, not the vendor, of a lot 35 under a real estate contract.

36 (((15))) <u>(17)</u> "Remaining useful life" means the estimated time, 37 in years, before a reserve component will require major maintenance, 38 repair, or replacement to perform its intended function.

1 (((16))) <u>(18)</u> "Replacement cost" means the current cost of 2 replacing, repairing, or restoring a reserve component to its 3 original functional condition.

4 (((17))) (19) "Reserve component" means a common element whose
5 cost of maintenance, repair, or replacement is infrequent,
6 significant, and impractical to include in an annual budget.

7 (((18))) <u>(20)</u> "Reserve study professional" means an independent 8 person who is suitably qualified by knowledge, skill, experience, 9 training, or education to prepare a reserve study in accordance with 10 RCW 64.38.065 and 64.38.070.

11 (((19))) <u>(21)</u> "Residential real property" means any real 12 property, the use of which is limited by law, covenant or otherwise 13 to primarily residential or recreational purposes.

14 (((20))) <u>(22)</u> "Significant assets" means that the current 15 replacement value of the major reserve components is 75 percent or 16 more of the gross budget of the association, excluding the 17 association's reserve account funds.

18 (((21))) <u>(23)</u> "Tangible medium" means a writing, copy of a 19 writing, facsimile, or a physical reproduction, each on paper or on 20 other tangible material.

21 (((22))) (24) "Useful life" means the estimated time, between 22 years, that major maintenance, repair, or replacement is estimated to 23 occur.

24 <u>NEW SECTION.</u> Sec. 33. A new section is added to chapter 64.38 25 RCW to read as follows:

(1) There is established within the office of the attorneygeneral an office of the homeowners' association ombuds.

(2) The attorney general must appoint the ombuds, consistent with
 the qualifications for the ombuds set forth in section 34 of this
 act.

31 (3) The ombuds must be the head of the office and is charged with 32 managing the office consistent with the powers and duties vested in 33 the ombuds under section 35 of this act within the amounts 34 appropriated for the office.

35 (4) The ombuds must serve at the pleasure of the attorney 36 general.

37 (5) A vacancy in the ombuds position must be filled in the same 38 manner as the original appointment.

1NEW SECTION.Sec. 34.A new section is added to chapter 64.382RCW to read as follows:

3 The ombuds:

4 (1) Must be a member in good standing of the bar of this state;

5 (2) Must have at least five years of experience in the practice 6 of law in this state;

7 (3) Must have experience in real estate law, including 8 homeowners' association law;

9 (4) Must have experience in conflict and alternative dispute 10 resolution;

11 (5) May not engage in any other business or profession that 12 conflicts with the powers and duties of the position or the office; 13 and

14 (6) Must comply with all restrictions on political activity 15 applicable to office of the attorney general employees.

16 <u>NEW SECTION.</u> Sec. 35. A new section is added to chapter 64.38
17 RCW to read as follows:

18 The ombuds:

(1) Must contact homeowners' associations, the board of directors 19 of homeowners' associations, individual owners in 20 homeowners' associations, and other interested parties to inform them of the 21 22 services available through the office. In addition to any other method used to publicize the office's services, the ombuds must 23 24 maintain a website containing information about the office, contact 25 information, the services available through the office, any information required to be placed on the website in accordance with 26 27 this chapter, and any other information deemed appropriate by the 28 ombuds;

(2) Must assist homeowners' associations, the board of directors 29 of homeowners' associations, individual owners in 30 homeowners' 31 associations, and other interested parties in understanding their 32 rights and responsibilities and the processes available to them according to the law, rules, regulations, and documents governing 33 their respective homeowners' associations. The ombuds is not the 34 attorney for a homeowners' association, the board of directors of a 35 homeowners' association, an individual owner in a homeowners' 36 association, or another interested party. An attorney-client 37 38 relationship is not implied or established by the ombuds' communication with such persons, and the ombuds may not act as or 39 S-1408.1/25 Code Rev/AF:ajr 4

1 appear to act as an attorney in a legal action brought by such 2 persons;

3 (3) Must organize and conduct meetings to educate homeowners' 4 associations, the board of directors of homeowners' associations, 5 individual owners in homeowners' associations, and other interested 6 parties about their rights and responsibilities and the processes 7 available to them according to the law, rules, regulations, and 8 documents governing their respective homeowners' association;

(4) Must prepare and publish educational and reference materials 9 about homeowners' associations and make these resources available in 10 print and on the office's website. The materials about homeowners' 11 12 associations must include general information about the roles, rights, and responsibilities of the various parties, suggestions for 13 the orderly operation of the homeowners' association, mechanisms for 14 internal dispute resolution, or any other information deemed 15 16 appropriate by the ombuds;

17 (5) Must develop and publicize procedures intended to result in 18 fair elections for members and officers of a homeowners' association;

19 (6) Must provide monitors and vote counting services to 20 homeowners' associations, intended to result in fair elections for 21 members and officers of a homeowners' association, when 15 percent of 22 the total voting interests of a homeowners' association, or six 23 owners, whichever is greater, petition the ombuds to do so;

(7) Must provide meetings, mediation, or other forms of
alternative dispute resolution as requested by homeowners'
associations, the board of directors of homeowners' associations,
individual owners in homeowners' associations, or other interested
parties;

(8) May receive complaints from homeowners' associations, the board of directors of homeowners' associations, individual owners in homeowners' associations, or other interested parties regarding potential violations of the law, rules, regulations, or documents governing their respective homeowners' associations;

34 (9) Must investigate any complaint received and, if meritorious 35 and appropriate, provide meetings, mediation, or other forms of 36 alternative dispute resolution to those parties involved to assist in 37 the resolution of the complaint;

38 (10) May refer meritorious violations of existing law to the 39 attorney general or other appropriate law enforcement agency for 40 prosecution;

(11) May subpoena witnesses, compel their attendance and 1 testimony, administer oaths and affirmations, take evidence, and 2 require by subpoena the production of books, papers, records, or 3 other evidence needed for the exercise of the powers or the 4 performance of the duties vested in the ombuds under this section. 5 6 The power granted in this subsection (11) may also be exercised by any other employee of the office who is a member in good standing of 7 the bar of this state; 8

9 (12) Must establish and publish, in print and on the office's 10 website, procedural rules for meetings, mediation, or other forms of 11 alternative dispute resolution organized under this section;

12 (13) Must establish and publish, in print and on the office's 13 website, procedures and forms for accepting complaints from 14 homeowners' associations, the board of directors of homeowners' 15 associations, individual owners in homeowners' associations, or other 16 interested parties regarding potential violations of the law, rules, 17 regulations, or documents governing their respective homeowners' 18 associations;

19 (14) Must establish an annual fee by rule for: Meetings, mediation, or other forms of alternative dispute resolution; election 20 21 monitoring; vote counting; or other services as provided by the ombuds under this section. The fee amount must be levied upon each 22 23 homeowners' association in the state, be adjusted for each homeowners' association based on the size of the homeowners' 24 25 association, and be deposited in the office of the homeowners' association ombuds account created in section 37 of this act; 26

(15) Must provide an annual report of the office's activities to the governor, attorney general, legislature, and chief justice of the supreme court by December 1st of each year. Each report must contain:

30 (a) Statistics on the number of inquiries and complaints handled31 by the office;

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(b) Information on education and outreach efforts by the office;

33 (c) Concerns expressed to the office by homeowners' associations, 34 the board of directors of homeowners' associations, individual owners 35 in homeowners' associations, or other interested parties;

36 (d) Legal developments impacting homeowners' associations;

37 (e) Recommendations for changes to state law or rules of court 38 procedure designed to improve the regulation and operation of 39 homeowners' associations made by the ombuds; and

40 (f) Any other information deemed appropriate by the ombuds; Code Rev/AF:ajr 6 S-1408.1/25 1 (16) May organize and hold public meetings as necessary to gain a 2 comprehensive sense of the issues facing homeowners' associations in 3 this state. When such meetings are held, at least one meeting must be 4 held in each county at a convenient place within each county, and the 5 information obtained from these meetings must be made a part of the 6 report issued under subsection (15) of this section;

7 (17) May perform any other function necessary to fulfill the 8 powers and duties outlined in this section;

9 (18) Must direct the work of the office consistent with the 10 powers and duties established under this section; and

(19) May employ and supervise staff necessary to assist in carrying out the powers and duties established under this section within the amounts appropriated for the office.

14 <u>NEW SECTION.</u> Sec. 36. A new section is added to chapter 64.38
15 RCW to read as follows:

(1) When a homeowners' association, the board of directors of a homeowners' association, or individual owner in a homeowners' association contacts the office to make an inquiry, request services, or file a complaint, the homeowners' association, board of directors, or individual owner must provide the office with at least the following information regarding the homeowners' association at issue:

(a) The name, address, telephone number, and any other contactinformation for the homeowners' association;

(b) The name of the person engaged in property management for the homeowners' association or the name of the person who manages the property at the site of the homeowners' association;

(c) The name, mailing address, telephone number, and any other contact information for the board of directors of the homeowners' association;

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(d) The governing documents for the homeowners' association;

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(e) The annual budget adopted by the homeowners' association;

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(f) The number of units in the homeowners' association; and

33 (g) The total annual assessment made by the homeowners' 34 association.

35 (2) The ombuds may waive the requirements under subsection (1) of 36 this section when appropriate.

37NEW SECTION.Sec. 37.A new section is added to chapter 64.3838RCW to read as follows:

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1 The office of the homeowners' association ombuds account is 2 created in the state treasury. All receipts from fees collected under 3 section 35(14) of this act must be deposited into the account. Moneys 4 in the account may be spent only after appropriation. Expenditures 5 from the account may be used only for the purposes of this act.

6 Sec. 38. RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12 7 are each reenacted and amended to read as follows:

8 (1) All earnings of investments of surplus balances in the state 9 treasury shall be deposited to the treasury income account, which 10 account is hereby established in the state treasury.

11 (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the 12 federal cash management improvement act of 1990. The treasury income 13 account is subject in all respects to chapter 43.88 RCW, but no 14 appropriation is required for refunds or allocations of interest 15 16 earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management 17 improvement act fall under RCW 43.88.180 and shall not require 18 appropriation. The office of financial management shall determine the 19 20 amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may 21 22 direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and 23 24 this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this 25 section. 26

27 (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking 28 services on behalf of treasury funds including, but not limited to, 29 30 depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is 31 subject in all respects to chapter 43.88 RCW, but no appropriation is 32 required for payments to financial institutions. Payments shall occur 33 prior to distribution of earnings set forth in subsection (4) of this 34 35 section.

36 (4) Monthly, the state treasurer shall distribute the earnings 37 credited to the treasury income account. The state treasurer shall 38 credit the general fund with all the earnings credited to the 39 treasury income account except:

1 The following accounts and funds shall receive their (a) proportionate share of earnings based upon each account's and fund's 2 average daily balance for the period: The abandoned recreational 3 vehicle disposal account, the aeronautics account, the Alaskan Way 4 viaduct replacement project account, the ambulance transport fund, 5 6 the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central 7 Washington University capital projects account, the charitable, 8 educational, penal and reformatory institutions account, the Chehalis 9 basin account, the Chehalis basin taxable account, the clean fuels 10 credit account, the clean fuels transportation investment account, 11 12 the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river 13 basin water supply development account, the Columbia river basin 14 taxable bond water supply development account, the Columbia river 15 16 basin water supply revenue recovery account, the common school 17 construction fund, the community forest trust account, the connecting 18 Washington account, the county arterial preservation account, the justice assistance account, the covenant 19 county criminal homeownership account, the deferred compensation administrative 20 account, the deferred compensation principal account, the department 21 22 of licensing services account, the department of retirement systems 23 expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement 24 25 settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, 26 the early learning facilities development account, the early learning 27 28 facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the 29 education legacy trust account, the election account, the electric 30 31 vehicle account, the energy freedom account, the energy recovery act 32 account, the essential rail assistance account, The Evergreen State 33 College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond 34 retirement fund, the fish, wildlife, and conservation account, the 35 freight mobility investment account, the freight mobility multimodal 36 account, the grade crossing protective fund, the higher education 37 retirement plan supplemental benefit fund, the Washington student 38 39 loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety 40 Code Rev/AF:ajr 9 S-1408.1/25

1 net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll 2 lanes account, the judges' retirement account, the 3 judicial retirement administrative account, the judicial retirement principal 4 account, the limited fish and wildlife account, the local leasehold 5 6 excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship 7 trust account, the medical aid account, the money-purchase retirement 8 savings administrative account, the money-purchase retirement savings 9 principal account, the motor vehicle fund, the motorcycle safety 10 education account, the move ahead WA account, the move ahead WA 11 12 flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance 13 account, the oyster reserve land account, the pension funding 14 15 stabilization account, the perpetual surveillance and maintenance 16 account, the pilotage account, the pollution liability insurance 17 agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' 18 retirement system combined plan 2 and plan 3 account, the public 19 facilities construction loan revolving account, the public health 20 21 supplemental account, the public works assistance account, the Puget 22 Sound capital construction account, the Puget Sound ferry operations 23 account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission 24 25 account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension 26 principal fund, the resource management cost account, the rural 27 28 arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual 29 assault prevention and response account, the site closure account, 30 31 the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the 32 33 special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state 34 investment board commingled trust fund accounts, the state patrol 35 highway account, the state reclamation revolving account, the state 36 route number 520 civil penalties account, the state route number 520 37 corridor account, the statewide broadband account, the statewide 38 39 tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system 40 S-1408.1/25 Code Rev/AF:ajr 10

plan 1 account, the teachers' retirement system combined plan 2 and 1 plan 3 account, the tobacco prevention and control account, the 2 tobacco settlement account, the toll facility bond retirement 3 account, the transportation 2003 account (nickel account), the 4 transportation equipment fund, the JUDY transportation future funding 5 6 program account, the transportation improvement account, the transportation improvement board bond retirement account, the 7 transportation infrastructure account, the transportation partnership 8 account, the traumatic brain injury account, the tribal opioid 9 prevention and treatment account, the University of Washington bond 10 retirement fund, the University of Washington building account, the 11 12 voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve 13 officers' administrative fund, the vulnerable roadway user education 14 account, the Washington judicial retirement system account, the 15 16 Washington law enforcement officers' and firefighters' system plan 1 17 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public 18 safety employees' plan 2 retirement account, the Washington school 19 employees' retirement system combined plan 2 and 3 account, the 20 Washington state patrol retirement account, the Washington State 21 22 University building account, the Washington State University bond 23 retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western 24 25 Washington University capital projects account, the Yakima integrated 26 plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated 27 28 plan implementation taxable bond account. Earnings derived from 29 investing balances of the agricultural permanent fund, the normal school permanent fund, the office of the homeowners' association 30 31 ombuds account, the permanent common school fund, the scientific 32 permanent fund, and the state university permanent fund shall be 33 allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

1 (5) In conformance with Article II, section 37 of the state 2 Constitution, no treasury accounts or funds shall be allocated 3 earnings without the specific affirmative directive of this section.

4 Sec. 39. RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13 5 are each reenacted and amended to read as follows:

6 (1) All earnings of investments of surplus balances in the state 7 treasury shall be deposited to the treasury income account, which 8 account is hereby established in the state treasury.

9 (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the 10 11 federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no 12 appropriation is required for refunds or allocations of interest 13 earnings required by the cash management improvement act. Refunds of 14 15 interest to the federal treasury required under the cash management 16 improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the 17 18 amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may 19 20 direct transfers of funds between accounts as deemed necessary to 21 implement the provisions of the cash management improvement act, and 22 this subsection. Refunds or allocations shall occur prior to the 23 distributions of earnings set forth in subsection (4) of this 24 section.

(3) Except for the provisions of RCW 43.84.160, the treasury 25 income account may be utilized for the payment of purchased banking 26 27 services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state 28 treasury and affected state agencies. The treasury income account is 29 30 subject in all respects to chapter 43.88 RCW, but no appropriation is 31 required for payments to financial institutions. Payments shall occur 32 prior to distribution of earnings set forth in subsection (4) of this 33 section.

34 (4) Monthly, the state treasurer shall distribute the earnings 35 credited to the treasury income account. The state treasurer shall 36 credit the general fund with all the earnings credited to the 37 treasury income account except:

(a) The following accounts and funds shall receive their
 proportionate share of earnings based upon each account's and fund's
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1 average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way 2 3 viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building 4 construction account, the Central Washington University capital 5 6 projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin 7 taxable account, the clean fuels credit account, the clean fuels 8 transportation investment account, the cleanup settlement account, 9 the climate active transportation account, the climate transit 10 programs account, the Columbia river basin water supply development 11 12 account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue 13 recovery account, the common school construction fund, the community 14 forest trust account, the connecting Washington account, the county 15 16 arterial preservation account, the county criminal justice assistance 17 the covenant homeownership account, the account, deferred 18 compensation administrative account, the deferred compensation principal account, the department of licensing services account, the 19 department of retirement systems expense account, the developmental 20 21 disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water 22 23 assistance account, the administrative subaccount of the drinking water assistance account, the early learning facilities development 24 25 account, the early learning facilities revolving account, the Eastern 26 Washington University capital projects account, the education construction fund, the education legacy trust account, the election 27 account, the electric vehicle account, the energy freedom account, 28 the energy recovery act account, the essential rail assistance 29 account, The Evergreen State College capital projects account, the 30 31 fair start for kids account, the family medicine workforce 32 development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment 33 account, the freight mobility multimodal account, the grade crossing 34 protective fund, the higher education retirement plan supplemental 35 benefit fund, the Washington student loan account, the highway bond 36 retirement fund, the highway infrastructure account, the highway 37 safety fund, the hospital safety net assessment fund, the Interstate 38 39 5 bridge replacement project account, the Interstate 405 and state 40 route number 167 express toll lanes account, the judges' retirement S-1408.1/25 Code Rev/AF:ajr 13

account, the judicial retirement administrative account, the judicial 1 retirement principal account, the limited fish and wildlife account, 2 3 the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine 4 resources stewardship trust account, the medical aid account, the 5 6 money-purchase retirement savings administrative account, the money-7 purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA 8 account, the move ahead WA flexible account, the multimodal 9 transportation account, the multiuse roadway safety account, the 10 11 municipal criminal justice assistance account, the oyster reserve 12 land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, 13 14 the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 15 16 account, the public employees' retirement system combined plan 2 and 17 plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works 18 assistance account, the Puget Sound capital construction account, the 19 Puget Sound ferry operations account, the Puget Sound Gateway 20 21 facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational 22 vehicle account, the regional mobility grant program account, the 23 reserve officers' relief and pension principal fund, the resource 24 25 management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the 26 second injury fund, the sexual assault prevention and response 27 account, the site closure account, the skilled nursing facility 28 safety net trust fund, the small city pavement and sidewalk account, 29 the special category C account, the special wildlife account, the 30 31 state hazard mitigation revolving loan account, the state investment 32 board expense account, the state investment board commingled trust 33 fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil 34 penalties account, the state route number 520 corridor account, the 35 statewide broadband account, the statewide tourism marketing account, 36 the supplemental pension account, the Tacoma Narrows toll bridge 37 account, the teachers' retirement system plan 1 account, the 38 teachers' retirement system combined plan 2 and plan 3 account, the 39 40 tobacco prevention and control account, the tobacco settlement Code Rev/AF:ajr 14 S-1408.1/25

1 account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation 2 3 equipment fund, the JUDY transportation future funding program account, the transportation improvement account, the transportation 4 improvement board bond retirement account, the transportation 5 6 infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and 7 treatment account, the University of Washington bond retirement fund, 8 the University of Washington building account, the voluntary cleanup 9 10 account, the volunteer firefighters' relief and pension principal 11 fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, 12 the Washington judicial retirement system account, the Washington law 13 enforcement officers' and firefighters' system plan 1 retirement 14 account, the Washington law enforcement officers' and firefighters' 15 16 system plan 2 retirement account, the Washington public safety 17 employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the 18 Washington state patrol retirement account, the Washington State 19 University building account, the Washington State University bond 20 21 retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western 22 23 Washington University capital projects account, the Yakima integrated implementation account, the 24 plan Yakima integrated plan 25 implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from 26 27 investing balances of the agricultural permanent fund, the normal 28 school permanent fund, the office of the homeowners' association 29 ombuds account, the permanent common school fund, the scientific 30 permanent fund, and the state university permanent fund shall be 31 allocated to their respective beneficiary accounts.

32 (b) Any state agency that has independent authority over accounts 33 or funds not statutorily required to be held in the state treasury 34 that deposits funds into a fund or account in the state treasury 35 pursuant to an agreement with the office of the state treasurer shall 36 receive its proportionate share of earnings based upon each account's 37 or fund's average daily balance for the period.

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1 (5) In conformance with Article II, section 37 of the state 2 Constitution, no treasury accounts or funds shall be allocated 3 earnings without the specific affirmative directive of this section."

4 Renumber the remaining sections consecutively and correct any 5 internal references accordingly.

6 On page 82, after line 3, insert the following:

7 "<u>NEW SECTION.</u> Sec. 37. Section 38 of this act expires July 1, 8 2028.

9 <u>NEW SECTION.</u> Sec. 38. Section 39 of this act takes effect July 10 1, 2028."

11 On page 82, line 10, after "64.90.665," strike "and" and after 12 "61.24.030" insert ", and 64.38.010; reenacting and amending RCW 13 43.84.092 and 43.84.092"

14 On page 82, beginning on line 10, after "adding" strike "a new 15 section" and insert "new sections"

16 On page 82, beginning on line 13, after "providing" strike "an 17 expiration date" and insert "expiration dates"

<u>EFFECT:</u> Creates an office of the homeowners' association ombuds in the Attorney General's Office and requires the ombuds to establish by rule an annual fee to fund the office.

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