

# HOUSE BILL REPORT

## HB 2304

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### As Passed Legislature

**Title:** An act relating to increasing the supply of condominiums by expanding the types of condominium buildings that may be subject to an express warranty of quality and express warranty insurance coverage.

**Brief Description:** Increasing the supply of condominiums by expanding the types of condominium buildings that may be subject to an express warranty of quality and express warranty insurance coverage.

**Sponsors:** Representatives Taylor, Reed, Ramel, Ryu, Zahn, Kloba, Thomas, Doglio, Gregerson, Ormsby, Connors, Barkis, Goodman, Leavitt, Fosse, Low, Salahuddin, Hill and Bernbaum.

### Brief History:

#### Committee Activity:

Civil Rights & Judiciary: 1/23/26, 1/30/26 [DP].

#### Floor Activity:

Passed House: 2/10/26, 94-0.

Passed Senate: 2/26/26, 47-0.

Passed Legislature.

### Brief Summary of Bill

- Authorizes a declarant or dealer to offer an express warranty of quality and express warranty insurance coverage, as an alternative to the implied warranty of quality under the Washington Uniform Common Interest Ownership Act, for any new or conversion building with four or fewer stories, rather than three or fewer stories.

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### HOUSE COMMITTEE ON CIVIL RIGHTS & JUDICIARY

**Majority Report:** Do pass. Signed by 12 members: Representatives Taylor, Chair;

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Farivar, Vice Chair; Walsh, Ranking Minority Member; Abell, Assistant Ranking Minority Member; Burnett, Entenman, Goodman, Graham, Jacobsen, Peterson, Salahuddin and Thai.

**Staff:** Yelena Baker (786-7301).

**Background:**

A condominium consists of real property that has individually owned units and commonly held elements in which all the individual unit owners have an undivided common interest. A condominium may be created by the construction of a new condominium building, or by the conversion of an existing building, such as an existing apartment building.

The Washington Uniform Common Interest Ownership Act (WUCIOA) took effect on July 1, 2018, and is applicable to residential common interest communities, including condominiums, created after that date.

The WUCIOA creates implied warranties regarding the quality of materials and construction in a condominium. Under these provisions, in common interest communities created on or after July 27, 2025, a declarant and any dealer impliedly warrants to a purchaser of a condominium unit that the unit and the common elements are suitable for the ordinary uses of real estate of its type and that any improvements made or contracted for by the declarant or dealer will be:

- free from defective materials;
- constructed in accordance with the plans, specifications approved by the applicable jurisdiction for the construction of the condominium, manufacturer installation guidelines, applicable building codes in effect at the time of permit approval, and any published industry standards specifically incorporated into the applicable building codes in effect at the time of permit approval; and
- constructed in a workmanlike manner.

A declarant or dealer is not subject to the implied warranties of quality if the declarant or dealer instead provides an express warranty of quality and express warranty insurance coverage (2-10 warranty) that:

- requires acknowledgment by the purchaser that the express warranty of quality applies;
- allows for recovery of defects under the express warranty;
- applies to all units and common areas within the building; and
- provides minimum coverage periods for: defective workmanship and materials (one year); defective plumbing, electrical, and ductwork distribution systems (two years); and structural defects to load-bearing structural members (10 years).

The WUCIOA authorizes a declarant or dealer to provide the 2-10 warranty for condominiums created on or after July 27, 2025, if the condominium building contains 12 or fewer units and:

- is two or fewer stories;
- is three or fewer stories, if one story is used for parking or as a commercial space; or
- no unit is physically located above or below any other unit, except for balconies, decks, or minor building features.

**Summary of Bill:**

For condominiums created on or after the effective date of the bill, a declarant or dealer may provide a 2-10 warranty for a condominium unit located in a building containing 12 or fewer units and four or fewer stories.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This is a trailer bill to last year's legislation. Condominiums are a much more attainable home ownership type than townhomes or single-family homes, especially for first-time buyers and downsizing seniors. The four-story building type provides significant potential for housing supply and home ownership, and it fits different types of residential zoning in cities throughout the state. Condominiums are typically located near transit, healthcare, local businesses, and essential services, which supports healthy aging and reduces isolation.

Builders have stopped building condominiums because it costs more than 10 times as much to provide insurance for a condominium unit than it does to provide the same coverage for a newly-built single-family home. Some condominium owners consider it a construction defect if a builder installs marble countertop instead of quartz; the builder's insurance company would pay out on that claim and then raise the builder's premiums. This bill helps make condominium projects feasible again.

The bill currently refers to "express warranty insurance coverage," and it would be more appropriate to use the term "express warranty extended coverage" instead because extended warranties are not subject to regulation under the insurance laws.

Townhomes do not work for people who cannot manage going up and down a lot of stairs. The most common layout for condominiums is a home all on one floor. For both practical and financial reasons, elevators really start to make sense at the height of four stories, so this bill will create accessibility for homes above the ground floor and help ensure that Washington communities benefit from a balanced mix of middle housing ownership options

that includes accessible homes.

(Opposed) None.

**Persons Testifying:** Representative Jamila Taylor, prime sponsor; Brent Ludeman, Building Industry Association of Washington; Ryan Donohue, Habitat for Humanity Seattle-King and Kittitas Counties; Jason Gano, 1DROP Homes; Mary Hull-Drury, Washington Realtors; Cathleen MacCaul, AARP Washington State; Brady Nordstrom, Housing Development Consortium; Dan Bertolet, Sightline Institute; Jason Gano, 1 DROP; Mike Appleby, MBAKS and Chicago Title of Washington; Bryce Yadon, Futurewise; Ryan Donohue, Habitat for Humanity, Seattle-King and Kittitas Counties; Mary Drury, Washington Realtor; Tyler Langford, Office of the Insurance Commissioner; Rico Quirindongo, City of Seattle; and Michael Hubner, City of Seattle, Office of Planning and Community Development.

**Persons Signed In To Testify But Not Testifying:** None.