

SENATE BILL REPORT

HB 2304

As of February 18, 2026

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

Committee Activity: Housing: 2/18/26.

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.

SENATE COMMITTEE ON HOUSING

Staff: Melissa Van Gorkom (786-7491)

Background: Washington Uniform Common Interest Ownership Act. A common interest community (CIC) is a form of real estate in which each unit owner or homeowner has an exclusive interest in a unit or lot and a shared or undivided interest in common area property. In Washington, several statutes govern residential CICs. The Washington

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

Implied Warranties. The WUCIOA creates implied warranties regarding the quality of materials and construction in a condominium. Under these provisions, in CICs 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.

Express Warranties. 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 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:
 1. one year for defective workmanship and materials;
 2. two years for defective plumbing, electrical, and ductwork distribution systems; and
 3. ten years for structural defects to load-bearing structural members.

The WUCIOA authorizes a declarant or dealer to provide the two to ten year 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 express warranties for a condominium unit located in a new or conversion building containing 12 or fewer units and four or fewer stories.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a trailer bill to 1403 to expand the types of condo projects applicable. This is part of a broader conversation about reforming liability risks and encouraging developers to get into the condominium market by moving away from the implied warranty and allowing an express warranty for these stack developments. As one of the largest builders of condo projects in the Seattle King and Kittitas County areas, we know that this is going to help us make it easier for someone to purchase a home and become a homeowner because we can pass the savings on to even more people potentially making homeownership accessible to somebody who is at a lower income than what we are currently able to serve.

The bill allows for warranties that will help homeowners avoid cost of litigation that can help with insurance affordability. Insurance is roughly \$2,000 per home and that home is insured for seven years and roughly \$50,00 for each condo unit for seven years, so on a 10 unit building you're looking at about a half million dollars in just insurance. In theory this will lower the cost of insurance by giving you a warranty, which is not insurance, to cover things like pipes, counters, roof leaks or elevated repairs. The reason why insurance got so high on condos in the first place is because you can turn an apartment into a condo after seven years in Washington and so there can be seven years of deferred maintenance, increasing the cost for association fees. This bill allows for a warranty to be issued, which is not insurance, that allows for coverage without increasing insurance. The 2-10 warranty creates the warranty itself which is backed by insurance through a warranty company so there's multiple layers of consumer protection still and this is also a common product that's already used for single-family homes to use similar building techniques. Don't need amendatory language but wanted to share that we don't regulate the warranties under the bill and are happy to work on clarification of language moving forward if it becomes necessary

Construction in Washington has declined significantly over the past decade with condos accounting for less than 1% of new unit construction. Condos are a way for people to downsize their homes and get into their first home. Small-scale multi-family construction is mostly townhouses which don't work at for people who can't manage going up and down lots of stairs and this bill would help tilt the scales from townhouses to condos for which the most common layout is on one floor. Stack flats are especially important because they provide that single floor living for seniors, aging in place, accessible layouts for people with mobility needs, and more attainable entry points for first-time home buyers and young families. Allowance for up to four stories, which is not only a sweet spot for low construction costs, it's also the height at which elevators really start to make sense. This will to help make sure that Washington communities benefit from a balanced mix of middle housing home ownership options that includes abundant accessible homes.

Persons Testifying: PRO: Representative Jamila Taylor, Prime Sponsor; Rory Paine-Donovan, Office of the Insurance Commissioner; Tyler Langford, Office of the Insurance Commissioner; Bryce Yadon, Futurewise; Bill Clarke, Washington Realtors; Jason Gano, 1Drop; Ryan Donohue, Habitat for Humanity Seattle-King & Kittitas Counties; Brady Nordstrom, Housing Development Consortium; Dylan Sluder, Master Builders Association of King and Snohomish Counties; Dan Bertolet, Sightline Institute; Brent Ludeman, Building Industry Association of Washington.

Persons Signed In To Testify But Not Testifying: No one.