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HOUSE BILL 1403

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State of Washington

69th Legislature

2025 Regular Session

By Representatives Taylor, Connors, Duerr, Jacobsen, Peterson, Reed, Barkis, Rule, Doglio, Tharinger, Salahuddin, Ormsby, Ryu, Entenman, Street, and Hill

Read first time 01/20/25. Referred to Committee on Civil Rights & Judiciary.

1 AN ACT Relating to increasing homeownership opportunities by  
2 simplifying condominium construction statutes; amending RCW  
3 64.90.670, 64.90.685, 64.55.100, 64.50.020, 64.55.005, 64.55.005, and  
4 64.90.675; providing an effective date; and providing an expiration  
5 date.

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

7 **Sec. 1.** RCW 64.90.670 and 2019 c 238 s 102 are each amended to  
8 read as follows:

9 (1) A declarant and any dealer warrants to a purchaser of a  
10 condominium unit that the unit will be in at least as good condition  
11 at the earlier of the time of the conveyance or delivery of  
12 possession as it was at the time of contracting, except for  
13 reasonable wear and tear and damage by casualty or condemnation.

14 (2) ((A)) (a) If a condominium unit is part of a common interest  
15 community organized under this chapter and created prior to the  
16 effective date of this section, a declarant and any dealer impliedly  
17 warrants to a purchaser of ((a)) the condominium unit that the unit  
18 and the common elements in the condominium are suitable for the  
19 ordinary uses of real estate of its type and that any improvements  
20 made or contracted for by such declarant or dealer will be:

21 ((a)) (i) Free from defective materials;

1       ~~((b))~~ (ii) Constructed in accordance with engineering and  
2 construction standards, including applicable building codes,  
3 generally accepted in the state of Washington at the time of  
4 construction; and

5       ~~((e))~~ (iii) Constructed in a workmanlike manner.

6       (b) If a condominium unit is part of a common interest community  
7 created on or after the effective date of this section, a declarant  
8 and any dealer impliedly warrants to a purchaser of the condominium  
9 unit that the unit and the common elements in the condominium are  
10 suitable for the ordinary uses of real estate of its type and that  
11 any improvements made or contracted for by such declarant or dealer  
12 will be:

13       (i) Free from defective materials;

14       (ii) Constructed in accordance with the approved plans,  
15 specifications, and applicable building codes in effect at the time  
16 of construction; and

17       (iii) Constructed in a workmanlike manner. For purposes of this  
18 subsection (2)(b)(iii), "workmanlike manner" means the degree of care  
19 that a reasonably prudent contractor licensed in the state of  
20 Washington would exercise under the same or similar circumstances.

21       (3) A declarant and any dealer warrants to a purchaser of a  
22 condominium unit that may be used for residential use that an  
23 existing use, continuation of which is contemplated by the parties,  
24 does not violate applicable law at the earlier of the time of  
25 conveyance or delivery of possession.

26       (4) Warranties imposed under this section may be excluded or  
27 modified as specified in RCW 64.90.675.

28       (5) For purposes of this section, improvements made or contracted  
29 for by an affiliate of a declarant are made or contracted for by the  
30 declarant.

31       (6) Any conveyance of a condominium unit transfers to the  
32 purchaser all of a declarant's or dealer's implied warranties of  
33 quality.

34       (7)(a) In a proceeding for breach of any of the obligations  
35 arising under this section, the purchaser must show that the alleged  
36 breach has adversely affected or will adversely affect the  
37 performance of that portion of the unit or common elements alleged to  
38 be in breach. Nothing in this section limits the ability of a board  
39 to bring claims on behalf of two or more unit owners pursuant to RCW  
40 64.90.405(2)(d).

1 (b) To establish an adverse effect on performance, the purchaser  
2 is required to prove that the alleged breach:

3 (i) Is more than technical;

4 (ii) Is significant to a reasonable person; and

5 (iii) Has caused or will cause physical damage to the unit or  
6 common elements; has materially impaired the performance of  
7 mechanical, electrical, plumbing, elevator, or similar building  
8 equipment; or presents an actual, unreasonable safety risk to the  
9 occupants of the condominium.

10 (8) Proof of breach of any obligation arising under this section  
11 is not proof of damages. Damages awarded for a breach of a warranty  
12 arising under subsection (2) of this section are the reasonable cost  
13 of repairs. However, if it is established that the cost of such  
14 repairs is clearly disproportionate to the loss in market value  
15 caused by the breach, damages are limited to the loss in market  
16 value.

17 **Sec. 2.** RCW 64.90.685 and 2018 c 277 s 418 are each amended to  
18 read as follows:

19 (1) ((A)) Except as otherwise provided in subsection (3) of this  
20 section, a declarant, association, unit owner, or any other person  
21 subject to this chapter may bring an action to enforce a right  
22 granted or obligation imposed under this chapter or the governing  
23 documents. The court may award reasonable attorneys' fees and costs  
24 to the substantially prevailing party.

25 (2) ((Parties)) Except as otherwise provided in subsection (3) of  
26 this section, parties to a dispute arising under this chapter or the  
27 governing documents may agree at any time to resolve the dispute by  
28 any form of binding or nonbinding alternative dispute resolution.

29 (3) An action commenced under RCW 64.90.680 must be arbitrated  
30 pursuant to RCW 64.55.100 if:

31 (a) A condominium unit is part of a common interest community  
32 created on or after the effective date of this section;

33 (b) The sole relief sought is a money judgment; and

34 (c) No party asserts a claim in excess of \$500,000, exclusive of  
35 interests and costs.

36 **Sec. 3.** RCW 64.55.100 and 2005 c 456 s 11 are each amended to  
37 read as follows:

1           (1) ~~((If))~~ (a) Except as otherwise provided in (b) of this  
2 subsection, if the declarant, an association, or a party unit owner  
3 demands an arbitration by filing such demand with the court not less  
4 than thirty and not more than ninety days after filing or service of  
5 the complaint, whichever is later, the parties shall participate in a  
6 private arbitration hearing. The declarant, the association, and the  
7 party unit owner do not have the right to compel arbitration without  
8 giving timely notice in compliance with this subsection. Unless  
9 otherwise agreed by the parties, the arbitration hearing shall  
10 commence no more than fourteen months from the later of the filing or  
11 service of the complaint.

12           (b) Any claim subject to this chapter must be arbitrated pursuant  
13 to this section if:

14           (i) The claim relates to a condominium unit in a common interest  
15 community created on or after the effective date of this section;

16           (ii) The sole relief sought is a money judgment; and

17           (iii) No party asserts a claim in excess of \$500,000, exclusive  
18 of interest and costs.

19           (2) Unless otherwise agreed by the parties, claims that in  
20 aggregate are for less than one million dollars shall be heard by a  
21 single arbitrator and all other claims shall be heard by three  
22 arbitrators. As used in this chapter, arbitrator also means  
23 arbitrators where applicable.

24           (3) Unless otherwise agreed by the parties, the court shall  
25 appoint the arbitrator, who shall be a current or former attorney  
26 with experience as an attorney, judge, arbitrator, or mediator in  
27 construction defect disputes involving the application of Washington  
28 law.

29           (4) Upon conclusion of the arbitration hearing, the arbitrator  
30 shall file the decision and award with the clerk of the superior  
31 court, together with proof of service thereof on the parties. Within  
32 twenty days after the filing of the decision and award, any aggrieved  
33 party may file with the clerk a written notice of appeal and demand  
34 for a trial de novo in the superior court on all claims between the  
35 appealing party and an adverse party. As used in this section,  
36 "adverse party" means the party who either directly asserted or  
37 defended claims against the appealing party. The demand shall  
38 identify the adverse party or parties and all claims between those  
39 parties shall be included in the trial de novo. The right to a trial

1 de novo includes the right to a jury, if demanded. The court shall  
2 give priority to the trial date for the trial de novo.

3 (5) If the judgment for damages, not including awards of fees and  
4 costs, in the trial de novo is not more favorable to the appealing  
5 party than the damages awarded by the arbitrator, not including  
6 awards of fees and costs, the appealing party shall pay the  
7 nonappealing adverse party's costs and fees incurred after the filing  
8 of the appeal, including reasonable attorneys' fees so incurred.

9 (6) If the judgment for damages, not including awards of fees and  
10 costs, in the trial de novo is more favorable to the appealing party  
11 than the damages awarded by the arbitrator, not including awards of  
12 fees and costs, then the court may award costs and fees, including  
13 reasonable attorneys' fees, incurred after the filing of the request  
14 for trial de novo in accordance with applicable law; provided if such  
15 a judgment is not more favorable to the appealing party than the most  
16 recent offer of judgment, if any, made pursuant to RCW 64.55.160, the  
17 court shall not make an award of fees and costs to the appealing  
18 party.

19 (7) If a party is entitled to an award with respect to the same  
20 fees and costs pursuant to this section and RCW 64.55.160, then the  
21 party shall only receive an award of fees and costs as provided in  
22 and limited by RCW 64.55.160. Any award of fees and costs pursuant to  
23 subsections (5) or (6) of this section is subject to review in the  
24 event of any appeal thereof otherwise permitted by applicable law or  
25 court rule.

26 **Sec. 4.** RCW 64.50.020 and 2023 c 337 s 4 are each amended to  
27 read as follows:

28 (1) In every construction defect action brought against a  
29 construction professional, the claimant shall, no later than 45 days  
30 before filing an action, serve written notice of claim on the  
31 construction professional.

32 (a) The notice of claim shall state that the claimant asserts a  
33 construction defect claim against the construction professional and  
34 shall describe the claim in reasonable detail sufficient to determine  
35 the general nature of the defect.

36 (b) If the claimant is a condominium association created after  
37 July 23, 2023, the written notice of claim shall include a written  
38 report from a construction defect professional. In addition to  
39 describing the claim in reasonable detail sufficient to determine the

1 general nature of the defect the written report shall state the  
2 construction defect professional's qualifications, the manner and  
3 type of inspection upon which the report was based, and the general  
4 location of the defect.

5 (2) Within 14 days after service of the notice of claim, the  
6 construction professional may serve a written response demanding a  
7 meeting with the claimant and its expert, including the construction  
8 defect professional who authored the report required in subsection  
9 (1)(b) of this section to confer regarding the report and its  
10 contents. The meeting shall take place within 14 days of service of  
11 the construction professional's demand or at such later date as  
12 mutually agreed to by the parties.

13 (3) Within 14 days after the meeting referenced in subsection (2)  
14 of this section or, in the absence of a demand for such meeting,  
15 within 21 days after service of the notice of claim, whichever is  
16 later, the construction professional shall serve a written response  
17 on the claimant by registered mail or personal service. The written  
18 response shall:

19 (a) Propose to inspect the residence that is the subject of the  
20 claim and to complete the inspection within a specified time frame.  
21 The proposal shall include the statement that the construction  
22 professional shall, based on the inspection, offer to remedy the  
23 defect, compromise by payment, or dispute the claim;

24 (b) Offer to compromise and settle the claim by monetary payment  
25 without inspection. A construction professional's offer under this  
26 subsection (3)(b) to compromise and settle a homeowner's claim may  
27 include, but is not limited to, an express offer to purchase the  
28 claimant's residence that is the subject of the claim, and to pay the  
29 claimant's reasonable relocation costs; or

30 (c) State that the construction professional disputes the claim  
31 and will neither remedy the construction defect nor compromise and  
32 settle the claim.

33 (4)(a) If the construction professional disputes the claim or  
34 does not respond to the claimant's notice of claim within the time  
35 stated in subsection (3) of this section, the claimant may bring an  
36 action against the construction professional for the claim described  
37 in the notice of claim without further notice.

38 (b) If the claimant rejects the inspection proposal or the  
39 settlement offer made by the construction professional pursuant to  
40 subsection (3) of this section, the claimant shall serve written

1 notice of the claimant's rejection on the construction professional.  
2 After service of the rejection, the claimant may bring an action  
3 against the construction professional for the construction defect  
4 claim described in the notice of claim. If the construction  
5 professional has not received from the claimant, within 30 days after  
6 the claimant's receipt of the construction professional's response,  
7 either an acceptance or rejection of the inspection proposal or  
8 settlement offer, then at anytime thereafter the construction  
9 professional may terminate the proposal or offer by serving written  
10 notice to the claimant, and the claimant may thereafter bring an  
11 action against the construction professional for the construction  
12 defect claim described in the notice of claim.

13 (5) (a) If the claimant elects to allow the construction  
14 professional to inspect in accordance with the construction  
15 professional's proposal pursuant to subsection (3)(a) of this  
16 section, the claimant shall provide the construction professional and  
17 its contractors or other agents reasonable access to the claimant's  
18 residence during normal working hours to inspect the premises and the  
19 claimed defect.

20 (b) Within 14 days following completion of the inspection, the  
21 construction professional shall serve on the claimant:

22 (i) A written offer to remedy the construction defect at no cost  
23 to the claimant, including a report of the scope of the inspection,  
24 the findings and results of the inspection, a description of the  
25 additional construction necessary to remedy the defect described in  
26 the claim, and a timetable for the completion of such construction;

27 (ii) A written offer to compromise and settle the claim by  
28 monetary payment pursuant to subsection (3)(b) of this section; or

29 (iii) A written statement that the construction professional will  
30 not proceed further to remedy the defect.

31 (c) If the construction professional does not proceed further to  
32 remedy the construction defect within the agreed timetable, or if the  
33 construction professional fails to comply with the provisions of (b)  
34 of this subsection, the claimant may bring an action against the  
35 construction professional for the claim described in the notice of  
36 claim without further notice.

37 (d) If the claimant rejects the offer made by the construction  
38 professional pursuant to (b)(i) or (ii) of this subsection to either  
39 remedy the construction defect or to compromise and settle the claim  
40 by monetary payment, the claimant shall serve written notice of the

1 claimant's rejection on the construction professional. After service  
2 of the rejection notice, the claimant may bring an action against the  
3 construction professional for the construction defect claim described  
4 in the notice of claim. If the construction professional has not  
5 received from the claimant, within 30 days after the claimant's  
6 receipt of the construction professional's response, either an  
7 acceptance or rejection of the offer made pursuant to (b)(i) or (ii)  
8 of this subsection, then at anytime thereafter the construction  
9 professional may terminate the offer by serving written notice to the  
10 claimant.

11 (6) (a) Any claimant accepting the offer of a construction  
12 professional to remedy the construction defect pursuant to subsection  
13 (5)(b)(i) of this section shall do so by serving the construction  
14 professional with a written notice of acceptance within a reasonable  
15 time period after receipt of the offer, and no later than 30 days  
16 after receipt of the offer. The claimant shall provide the  
17 construction professional and its contractors or other agents  
18 reasonable access to the claimant's residence during normal working  
19 hours to perform and complete the construction by the timetable  
20 stated in the offer.

21 (b) The claimant and construction professional may, by written  
22 mutual agreement, alter the extent of construction or the timetable  
23 for completion of construction stated in the offer, including, but  
24 not limited to, repair of additional defects.

25 (7) Any action commenced by a claimant prior to compliance with  
26 the requirements of this section shall be subject to dismissal  
27 without prejudice, and may not be recommenced until the claimant has  
28 complied with the requirements of this section.

29 (8) Nothing in this section may be construed to prevent a  
30 claimant from commencing an action on the construction defect claim  
31 described in the notice of claim if the construction professional  
32 fails to perform the construction agreed upon, fails to remedy the  
33 defect, or fails to perform by the timetable agreed upon pursuant to  
34 subsection (3)(a) or (6) of this section.

35 (9) Prior to commencing any action alleging a construction  
36 defect, or after the dismissal of any action without prejudice  
37 pursuant to subsection (7) of this section, the claimant may amend  
38 the notice of claim to include construction defects discovered after  
39 the service of the original notice of claim, and must otherwise  
40 comply with the requirements of this section for the additional



1 claims. The service of an amended notice of claim shall relate back  
2 to the original notice of claim for purposes of tolling statutes of  
3 limitations and repose. Claims for defects discovered after the  
4 commencement or recommencement of an action may be added to such  
5 action only after providing notice to the construction professional  
6 of the defect and allowing for response under subsection (3) of this  
7 section.

8 (10) If the claimant is an association, and notwithstanding any  
9 contrary provisions in the association's governing documents, the  
10 association's board of director's ability to incur expenses to  
11 prepare and serve a notice of claim and any related reports and  
12 otherwise comply with the requirements of this chapter shall not be  
13 restricted.

14 (11) If the subject of the claim under this section is a  
15 residence constructed or substantially remodeled on or after the  
16 effective date of this section, the court or arbitrator shall assess  
17 costs and reasonable attorneys' fees against a claimant or  
18 construction professional who refuses to accept an offer to remedy  
19 the defect or a compromise by payment and fails to improve its  
20 position in the subsequent construction defect action.

21 **Sec. 5.** RCW 64.55.005 and 2019 c 238 s 216 are each amended to  
22 read as follows:

23 (1)(a) RCW 64.55.010 through 64.55.090 apply to any multiunit  
24 residential building for which the permit for construction or  
25 rehabilitative construction of such building was issued on or after  
26 August 1, 2005.

27 (b) RCW 64.55.010 and 64.55.090 apply to conversion condominiums  
28 as defined in RCW 64.34.020 or conversion buildings as defined in RCW  
29 64.90.010, provided that RCW 64.55.090 shall not apply to a  
30 condominium conversion for which a public offering statement had been  
31 delivered pursuant to chapter 64.34 RCW prior to August 1, 2005.

32 (c) RCW 64.55.010 through 64.55.090 do not apply to an accessory  
33 dwelling unit organized pursuant to chapter 64.90 RCW as a  
34 condominium unit in a common interest community created on or after  
35 the effective date of this section.

36 (2) RCW 64.55.010 and 64.55.100 through 64.55.160 and 64.34.415  
37 apply to any action that alleges breach of an implied or express  
38 warranty under chapter 64.34 RCW or that seeks relief that could be  
39 awarded for such breach, regardless of the legal theory pleaded,

1 except that RCW 64.55.100 through 64.55.160 and 64.34.415 shall not  
2 apply to:

3 (a) Actions filed or served prior to August 1, 2005;

4 (b) Actions for which a notice of claim was served pursuant to  
5 chapter 64.50 RCW prior to August 1, 2005;

6 (c) Actions asserting any claim regarding a building that is not  
7 a multiunit residential building;

8 (d) Actions asserting any claim regarding a multiunit residential  
9 building that was permitted on or after August 1, 2005, unless the  
10 letter required by RCW 64.55.060 has been submitted to the  
11 appropriate building department or the requirements of RCW 64.55.090  
12 have been satisfied.

13 (3) Other than the requirements imposed by RCW 64.55.010 through  
14 64.55.090, nothing in this chapter amends or modifies the provisions  
15 of RCW 64.34.050.

16 **Sec. 6.** RCW 64.55.005 and 2024 c 321 s 423 are each amended to  
17 read as follows:

18 (1)(a) RCW 64.55.010 through 64.55.090 apply to any multiunit  
19 residential building for which the permit for construction or  
20 rehabilitative construction of such building was issued on or after  
21 August 1, 2005.

22 (b) RCW 64.55.010 and 64.55.090 apply to conversion buildings as  
23 defined in RCW 64.90.010.

24 (c) RCW 64.55.010 through 64.55.090 do not apply to an accessory  
25 dwelling unit organized pursuant to chapter 64.90 RCW as a  
26 condominium unit in a common interest community created on or after  
27 the effective date of section 5 of this act.

28 (2) RCW 64.55.010 and 64.55.100 through 64.55.160 and 64.90.620  
29 apply to any action that alleges breach of an implied or express  
30 warranty under chapter 64.90 RCW or that seeks relief that could be  
31 awarded for such breach, regardless of the legal theory pleaded,  
32 except that RCW 64.55.100 through 64.55.160 and 64.90.620 shall not  
33 apply to:

34 (a) Actions filed or served prior to August 1, 2005;

35 (b) Actions for which a notice of claim was served pursuant to  
36 chapter 64.50 RCW prior to August 1, 2005;

37 (c) Actions asserting any claim regarding a building that is not  
38 a multiunit residential building;

1 (d) Actions asserting any claim regarding a multiunit residential  
2 building that was permitted on or after August 1, 2005, unless the  
3 letter required by RCW 64.55.060 has been submitted to the  
4 appropriate building department or the requirements of RCW 64.55.090  
5 have been satisfied.

6 (3) Other than the requirements imposed by RCW 64.55.010 through  
7 64.55.090, nothing in this chapter amends or modifies the provisions  
8 of RCW 64.90.025.

9 **Sec. 7.** RCW 64.90.675 and 2018 c 277 s 416 are each amended to  
10 read as follows:

11 (1) Except as limited under subsections (2) and (4) of this  
12 section with respect to a purchaser of a condominium unit that may be  
13 used for residential use, implied warranties of quality under RCW  
14 64.90.670:

15 (a) May be excluded or modified by written agreement of the  
16 parties; and

17 (b) Are excluded by written expression of disclaimer, such as "as  
18 is," "with all faults," or other language that in common  
19 understanding calls the buyer's attention to the exclusion of  
20 warranties.

21 (2) With respect to a purchaser of a condominium unit that may be  
22 used for residential use, no disclaimer of implied warranties of  
23 quality under RCW 64.90.670 is effective, except that a declarant and  
24 any dealer may disclaim liability in an instrument for one or more  
25 specified defects or failures to comply with applicable law, if:

26 (a) The declarant or dealer knows or has reason to believe that  
27 the specific defects or failures exist at the time of disclosure;

28 (b) The disclaimer specifically describes the defects or  
29 failures;

30 (c) The disclaimer includes a statement as to the effect of the  
31 defects or failures;

32 (d) The disclaimer is boldfaced, capitalized, underlined, or  
33 otherwise set out from surrounding material so as to be conspicuous;  
34 and

35 (e) The disclaimer is signed by the purchaser.

36 (3) ((A)) Except as provided in subsection (4) of this section, a  
37 declarant or dealer may not make an express written warranty of  
38 quality that limits the implied warranties of quality made to the  
39 purchaser set forth in RCW 64.90.670.

1 (4) (a) With respect to a unit in a condominium created on or  
2 after the effective date of this section, a declarant or dealer is  
3 not subject to the implied warranties of quality set forth in RCW  
4 64.90.670 if the declarant or dealer provides for the condominium  
5 unit an express warranty of quality and express warranty insurance  
6 coverage that meets the requirements in (b) of this subsection, and  
7 the condominium unit is:

8 (i) An accessory dwelling unit organized as a condominium  
9 pursuant to this chapter;

10 (ii) Located in a new building or a condominium conversion  
11 containing 12 or fewer units and two or fewer stories; or

12 (iii) Located in a new building or a condominium conversion  
13 containing 12 or fewer units and three or fewer stories, if one story  
14 is utilized for parking, either above or below ground, or as a  
15 commercial space.

16 (b) An express warranty of quality and insurance coverage  
17 provided under (a) of this subsection must:

18 (i) Require acknowledgment by the unit purchaser that the express  
19 warranty of quality applies;

20 (ii) Allow for recovery of defects under the express warranty of  
21 quality by the unit owner and any subsequent purchaser, and by the  
22 unit owners association for common areas;

23 (iii) Apply to all condominium units and common areas within the  
24 building; and

25 (iv) Provide minimum coverage periods as follows:

26 (A) One year for workmanship and materials;

27 (B) Two years for plumbing, electrical, and ductwork distribution  
28 systems; and

29 (C) 10 years for structural defects to load-bearing structural  
30 members.

31 NEW SECTION. Sec. 8. Section 5 of this act expires January 1,  
32 2028.

33 NEW SECTION. Sec. 9. Section 6 of this act takes effect January  
34 1, 2028.

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