CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2354

69th Legislature
2026 Regular Session

Passed by the House February 13, 2026
Yeas 92 Nays 0

Speaker of the House of Representatives

Passed by the Senate March 5, 2026
Yeas 48 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2354** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

Secretary of State
State of Washington

SUBSTITUTE HOUSE BILL 2354

Passed Legislature - 2026 Regular Session

State of Washington 69th Legislature 2026 Regular Session

By House Civil Rights & Judiciary (originally sponsored by Representatives Reed, Ramel, Hill, and Bernbaum)

READ FIRST TIME 02/04/26.

AN ACT Relating to common interest communities; and amending RCW 64.90.015, 64.90.513, 64.90.580, 64.90.360, 64.90.545, 64.90.530, and 64.90.065.

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

Sec. 1. RCW 64.90.015 and 2025 c 119 s 7 are each amended to read as follows:

(1) Except as expressly provided in this chapter, the effect of the provisions of this chapter may not be varied by agreement, and rights conferred by this chapter may not be waived. Except as provided otherwise in RCW 64.90.110, a declarant may not act under a power of attorney, or use any other device, to evade the limitations or prohibitions of this chapter or the declaration.

(2) Except as provided in subsection (3) of this section, the governing documents may not vary a provision of this chapter that gives a right to or imposes an obligation or liability on a unit owner, declarant, association, or board.

(3) The governing documents may vary the following provisions as provided in the provision:

(a) RCW 64.90.020(1), concerning classification of a cooperative unit as real estate or personal property;

(b) RCW 64.90.030 (2) and (3), concerning reallocation of allocated interests and allocation of proceeds after a taking by eminent domain;

(c) RCW 64.90.360(4), 64.90.370, and 64.90.100, concerning elections regarding applicability of this chapter;

(d) RCW 64.90.100 (1), (2), and (3), concerning communities restricted to nonresidential uses;

(e) RCW 64.90.200(3) (a) and (b), concerning the timing of the conveyance of common elements to the association, and the vesting of real estate owned by the association on termination;

(f) RCW 64.90.210, concerning boundaries between units and common elements;

(g) RCW 64.90.240 (2) and (3), concerning reallocation of limited common elements;

(h) RCW 64.90.245(11), concerning horizontal boundaries of units;

(i) RCW 64.90.255, concerning alterations of units and common elements made by unit owners;

(j) RCW 64.90.260 (1) and (2), concerning relocation of boundaries between units;

(k) RCW 64.90.265 (1) and (2), concerning subdivision and combination of units;

(l) RCW 64.90.275, concerning sales offices, management offices, models, and signs maintained by a declarant;

(m) RCW 64.90.280 (1) and (3), concerning easements through, and rights to use, common elements;

(n) RCW 64.90.285 (1) and (8), concerning the percentage of votes and consents required to amend the declaration;

(o) RCW 64.90.290 (1) and (8), concerning the percentage of votes required to terminate a common interest community and priority of creditors of a cooperative;

(p) RCW 64.90.360(4)(a), concerning small communities;

(q) RCW 64.90.405 (4)(c) and (5)(c), concerning an association's assignment of rights to future income, the number of votes required to reject a proposal to borrow funds, and the right to terminate a lease or evict a tenant;

(r) RCW 64.90.410 (1) and (2), concerning the board acting on behalf of the association and the election of officers by the board;

(s) RCW 64.90.420(2), concerning costs of audits;

(t) RCW 64.90.435(1)(b), concerning election of officers by unit owners;

(u) RCW 64.90.440 (1) and (4), concerning responsibility for maintenance, repair, and replacement of units and common elements and treatment of income or proceeds from real estate subject to development rights;

(v) RCW 64.90.445 (1)(b) and (2)(i), concerning meetings;

(w) RCW 64.90.450, concerning quorum requirements for meetings;

(x) RCW 64.90.455 (3), (4), (5), and (8), concerning unit owner voting;

(y) RCW 64.90.465 (1), (2), and (7), concerning the percentage of votes required to convey or encumber common elements and the effect of conveyance or encumbrance of common elements;

(z) RCW 64.90.470 (2) and (11), concerning insurance where the units are attached, and insurance for a nonresidential common interest community;

(aa) RCW 64.90.475(2), concerning payment of surplus funds of the association;

(bb) RCW 64.90.485 (7) and (20), concerning priority and foreclosure of liens held by two or more associations;

(cc) RCW 64.90.505 (1) and (3), concerning the adoption of rules;

(dd) ((~~RCW 64.90.513(8), concerning responsibility for electric vehicle charging stations;~~

~~(ee)~~)) RCW 64.90.520(4), concerning the board's ability to remove an officer elected by the board;

((~~(ff)~~)) (ee) RCW 64.90.525(1), concerning the percentage of votes required to reject a budget; and

((~~(gg)~~)) (ff) RCW 64.90.545(2), concerning applicability of reserve study requirements to certain types of common interest communities((~~; and~~

~~(hh) RCW 64.90.580(7), concerning responsibility for heat pumps~~)).

Sec. 2. RCW 64.90.513 and 2025 c 119 s 21 are each amended to read as follows:

(1)(a) A unit owners association may not adopt or enforce a restriction, covenant, condition, bylaw, rule, regulation, provision of a governing document, or master deed provision that:

(i) Effectively prohibits or unreasonably restricts the installation or use of an electric vehicle charging station in compliance with the requirements of this section and for the personal

noncommercial use of a unit owner, within the boundaries of a unit or in a designated parking space; or

(ii) Is in conflict with the provisions of this section.

(b) Nothing in this section prohibits an association from imposing reasonable restrictions on electric vehicle charging stations. However, it is the policy of the state to promote, encourage, and remove obstacles to the use of electric vehicle charging stations.

(c) Notwithstanding (a) or (b) of this subsection, an association of single-family homes, site condominiums, or a planned use development where the units are not immediately adjacent may not require approval of the installation of an electric vehicle charging station unless the electric vehicle charging station:

(i) Is installed within or upon a common element; or

(ii) Is connected to a common electrical power supply.

(2) A unit owners association may require a unit owner to submit an application for approval for the installation of an electric vehicle charging station before installing the charging station unless such installation is exempt from restrictions pursuant to subsection (1)(c) of this section.

(3)(a) If approval is required for the installation or use of an electric vehicle charging station subject to subsection (2) of this section, the application for approval must be processed and approved in the same manner as an application for approval of an architectural modification.

(b) The approval or denial of an application must be in writing and must not be willfully avoided or delayed.

(c) If an application is not denied in writing within 60 days from the date of receipt of the application, the application is deemed approved, unless that delay is the result of a reasonable request for additional information.

(d) An association may not assess or charge a unit owner a fee for the placement of an electric vehicle charging station. An association may charge a reasonable fee for processing the application to approve the installation of an electric vehicle charging station, but only if such a fee exists for all applications for approval of architectural modifications.

(4) If approval is required for the installation or use of an electric vehicle charging station subject to subsection (2) of this section, a unit owners association must approve the installation

within the boundaries of a unit or in a designated parking space if the installation is reasonably possible and the unit owner agrees in writing to:

(a) Comply with the association's reasonable architectural standards applicable to the installation of the electric vehicle charging station;

(b) Engage an electrical contractor familiar with the standards for the installation of electric vehicle infrastructure to assess the existing infrastructure necessary to support the proposed electric vehicle charging station, identify additional infrastructure needs, and install the electric vehicle charging station;

(c)(i) Provide, within the time specified in (c)(ii) of this subsection, a certificate of insurance naming the association as an additional insured on the unit owner's insurance policy for any claim related to the installation, inspection, maintenance, or use of the electric vehicle charging station in a common interest community other than an association of single-family homes, site condominiums, or a planned use development where the units are not immediately adjacent;

(ii) A certificate of insurance required under (c)(i) of this subsection must be provided within 14 days after the association approves the installation of the electric vehicle charging station. Reimbursement for an increased insurance premium amount under (c)(i) of this subsection must be provided within 14 days after the unit owner receives the association's invoice for the amount attributable to the charging station;

(d) Register the electric vehicle charging station with the association within 30 days after installation;

(e) Pay for the electricity usage associated with the electric vehicle charging station and the required means to facilitate payment for the electricity; and

(f) Comply with the requirements of this section.

(5)(a) A unit owner must obtain any permit or approval for an electric vehicle charging station as required by the local government in which the common interest community is located and comply with all relevant building codes and safety standards.

(b) An electric vehicle charging station must meet all applicable health and safety standards and requirements imposed by national, state, or local authorities, and all other applicable zoning, land use or other ordinances, building codes, or land use permits.

(6)(a) Unless otherwise agreed to by written contract with the unit owners association, a unit owner is responsible for the costs of installing an electric vehicle charging station.

(b) Electric vehicle charging station equipment that is installed at the unit owner's cost and is removable without damage to the property owned by others may be removed at the unit owner's cost. Nothing in this subsection requires the association to purchase the electric vehicle charging station.

(7) When an installed electric vehicle charging station is not exempt from restrictions pursuant to subsection (1)(c) of this section, a unit owner must disclose to any prospective buyers of the unit:

(a) The existence of an electric vehicle charging station and the related responsibilities of the owner under this section; and

(b) Whether the electric vehicle charging station is removable and whether the owner intends to remove the charging station.

(8) ((~~Except as set forth in the governing documents and without~~)) Without regard for when an electric vehicle charging station was first put into service and the location of any components thereof, the owner and each successive owner of an electric vehicle charging station exclusively serving the owner's unit is responsible for:

(a) Costs for the inspection, maintenance, repair, and replacement of the electric vehicle charging station up until the station is removed;

(b) Costs for damage to the electric vehicle charging station, any unit, common element, or limited common element resulting from the installation, use, inspection, maintenance, repair, removal, or replacement of the electric vehicle charging station;

(c) The cost of electricity associated with the electric vehicle charging station;

(d) Obtaining and maintaining an insurance policy that meets the requirements in subsection (4)(c) of this section;

(e) If the owner decides to remove the electric vehicle charging station, costs for the removal and the restoration of the common element or limited common element after the removal; and

(f) Removing the electric vehicle charging station if reasonably necessary for the inspection, repair, maintenance, or replacement of the common element or limited common element.

(9) A unit owners association may install an electric vehicle charging station in the common elements for the use of all unit owners and, in that case, the association must develop appropriate terms of use for the charging station.

(10)(a) A unit owners association that willfully violates this section is liable to the unit owner for actual damages, and shall pay a civil penalty to the unit owner in an amount not to exceed $1,000.

(b) In any action by a unit owner requesting to have an electric vehicle charging station installed and seeking to enforce compliance with this section, the court shall award reasonable attorneys' fees and costs to any prevailing unit owner.

(11) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Designated parking space" means a parking space that is specifically designated for use by a particular unit owner, including a garage, a deeded parking space, and a parking space in a limited common element that is restricted for use by one or more unit owners.

(b) "Electric vehicle charging station" means a station that delivers electricity from a source outside an electric vehicle into one or more electric vehicles. An electric vehicle charging station may include several charge points simultaneously connecting several electric vehicles to the station and any related equipment needed to facilitate charging plug-in electric vehicles.

(c) "Reasonable restriction" means a restriction that does not significantly increase the cost of an electric vehicle charging station or significantly decrease its efficiency or specified performance.

Sec. 3. RCW 64.90.580 and 2025 c 119 s 25 are each amended to read as follows:

(1)(a) A unit owners association may not adopt or enforce a restriction, covenant, condition, bylaw, rule, regulation, provision of a governing document, or master deed provision that:

(i) Effectively prohibits or unreasonably restricts the installation or use of a heat pump in compliance with the requirements of this section and for the personal use of a unit owner within the boundaries of a unit; or

(ii) Is in conflict with the provisions of this section.

(b) Nothing in this section prohibits an association from imposing reasonable restrictions on heat pumps.

(c) This section must not be construed to permit installation by a unit owner of heat pump equipment on or in common elements without approval of the board which shall not be unreasonably withheld.

(2) A unit owners association may require a unit owner to submit an application for approval for the installation of a heat pump before installing the heat pump.

(3)(a) If approval is required for the installation of a heat pump, the application for approval must be processed and approved in the same manner as an application for approval of an architectural modification.

(b) The approval or denial of an application must be in writing and must not be willfully avoided or delayed.

(c) If an application is not denied in writing within 60 days from the date of receipt of the application, the application is deemed approved, unless that delay is the result of a reasonable request for additional information.

(d) An association may not assess or charge a unit owner a fee for the installation of a heat pump. An association may charge a reasonable fee for processing the application to approve the installation of a heat pump, but only if such a fee exists for all applications for approval of architectural modifications.

(4) If approval is required for the installation of a heat pump, a unit owners association must approve the installation if the installation is reasonably possible and the unit owner agrees in writing to:

(a) Comply with the association's reasonable architectural standards applicable to the installation of the heat pump;

(b) Engage a heating, ventilation, and air conditioning (HVAC) contractor familiar with the standards for the installation of heat pumps to assess the existing infrastructure necessary to support the proposed heat pump, identify additional infrastructure needs, and install the heat pump; and

(c) Comply with the requirements of this section.

(5)(a) A unit owner must obtain any permit or approval for a heat pump as required by the local government in which the common interest community is located and comply with all relevant building codes and safety standards.

(b) A heat pump must meet all applicable health and safety standards and requirements imposed by national, state, or local

authorities, and all other applicable zoning, land use or other ordinances, building codes, or land use permits.

(6)(a) Unless otherwise agreed to by written contract with the unit owners association, a unit owner is responsible for the costs of installing a heat pump.

(b) Heat pump equipment that is installed at the unit owner's cost and is removable without damage to the property owned by others may be removed at the unit owner's cost.

(7) ((~~Except as set forth in the governing documents and without~~)) Without regard for when a heat pump was first put into service and the location of any components thereof, the unit owner and each successive owner of a heat pump exclusively serving the owner's unit is responsible for:

(a) Costs for the inspection, maintenance, repair, and replacement of the heat pump up until the heat pump is removed;

(b) Costs for damage to the heat pump, any unit, common element, or limited common element resulting from the installation, inspection, use, maintenance, repair, removal, or replacement of the heat pump;

(c) If the unit owner decides to remove the heat pump, costs for the removal and the restoration of the common elements or limited common elements after the removal; and

(d) Removing heat pump equipment if reasonably necessary for the inspection, repair, maintenance, or replacement of the common element or limited common element.

(8)(a) A unit owners association that willfully violates this section is liable to the unit owner for actual damages, and shall pay a civil penalty to the unit owner in an amount not to exceed $1,000.

(b) In any action by a unit owner requesting to have a heat pump installed and seeking to enforce compliance with this section, the court shall award reasonable attorneys' fees and costs to any prevailing unit owner.

(9) For the purposes of this section:

(a) "Heat pump" means a heating or refrigerating system used to transfer heat. The heat pump condenser and evaporator may change roles to transfer heat in either direction. By receiving the flow of air or other fluid, a heat pump is used to cool or heat.

(b) "Reasonable restriction" means a restriction that does not significantly increase the cost of a heat pump or significantly decrease its efficiency or specified performance.

Sec. 4. RCW 64.90.360 and 2025 c 119 s 10 are each amended to read as follows:

(1) Except as provided otherwise in this section, RCW 64.90.365 and 64.90.375, this chapter applies to all common interest communities.

(2) Before January 1, 2028, this chapter applies only to:

(a) A common interest community created on or after July 1, 2018; and

(b) A common interest community created before July 1, 2018, that amends its declaration to elect to be subject to this chapter.

(3) Chapters 58.19, 64.32, 64.34, and 64.38 RCW:

(a) Do not apply to common interest communities subject to this chapter; and

(b) Apply to a common interest community created before July 1, 2018, only until the community becomes subject to this chapter.

(4)(a) Unless the declaration provides that this entire chapter is applicable, a plat community or miscellaneous community that is not subject to any development right is subject only to:

(i) RCW 64.90.010, 64.90.015, 64.90.020, 64.90.025, 64.90.030, 64.90.035, 64.90.040, 64.90.045, 64.90.050, 64.90.055, 64.90.060, 64.90.065, 64.90.070, 64.90.085, 64.90.090, 64.90.100, 64.90.105, 64.90.110, 64.90.115, 64.90.210, 64.90.225, 64.90.230, 64.90.235, 64.90.240, 64.90.245, 64.90.255, 64.90.260, 64.90.265, 64.90.280, 64.90.285, 64.90.290, 64.90.300, 64.90.340, 64.90.350, 64.90.360, 64.90.400, 64.90.405, 64.90.410, 64.90.415, 64.90.420, 64.90.435, 64.90.445, 64.90.450, 64.90.455, 64.90.465, 64.90.480, 64.90.485, 64.90.490, 64.90.495, 64.90.502, 64.90.505, 64.90.510, 64.90.511, 64.90.5111, 64.90.512, 64.90.513, 64.90.515, 64.90.518, 64.90.520, 64.90.525, 64.90.530, 64.90.535, 64.90.540, 64.90.545, 64.90.550, 64.90.555, 64.90.560, 64.90.565, 64.90.570, 64.90.575, 64.90.580, 64.90.585, 64.90.640, and 64.90.685, if the community: ((~~(i)~~))

(A) Contains no more than 50 units; and ((~~(ii) provides~~))

(B) Provides in its declaration that the annual average assessment of all units restricted to residential purposes, exclusive of optional user fees, may not exceed $1,000, as adjusted pursuant to RCW 64.90.065; or

(ii) RCW 64.90.020, 64.90.025, and 64.90.030, if the community:

(A) Consists of no more than six units that are all middle housing as defined under RCW 36.70A.030; and

(B) Provides in its declaration that the annual average assessment of all units restricted to middle housing residential purposes, exclusive of optional user fees, may not exceed $1,000, as adjusted pursuant to RCW 64.90.065.

(b) The ((~~exemption~~)) exemptions provided in this subsection ((~~applies~~)) apply only if:

(i) The declaration provides that the assessment may not be increased above the limitation in (a)(i)(B) or (a)(ii)(B) of this subsection prior to the transition meeting without the consent of unit owners, other than the declarant, holding 90 percent of the votes in the association, and the declarant reasonably believes in good faith that the maximum stated assessment will be sufficient to pay the expenses of the association ((~~for the community; and~~)) in perpetuity; or

(ii) The declaration ((~~provides~~)) has been amended to provide that the assessment may not be increased above the limitation in ((~~(a)(ii)~~)) (a)(i)(B) or (a)(ii)(B) of this subsection ((~~prior to the transition meeting without the consent of unit owners, other than the declarant, holding 90 percent of the votes in the association~~)), and the unit owners voting to approve the amendment reasonably believe in good faith that the maximum stated assessment will be sufficient to pay the expenses of the association in perpetuity.

(5) Before January 1, 2028, except as otherwise provided in RCW 64.90.365, this chapter does not apply to any common interest community created within this state on or after July 1, 2018, if:

(a) That common interest community is made part of a common interest community created in this state prior to July 1, 2018, pursuant to a right expressly set forth in the declaration of the preexisting common interest community; and

(b) The declaration creating that common interest community expressly subjects that common interest community to the declaration of the preexisting common interest community pursuant to such right described in (a) of this subsection.

Sec. 5. RCW 64.90.545 and 2018 c 277 s 330 are each amended to read as follows:

(1) Unless exempt under subsection (2) of this section, an association must prepare and update a reserve study in accordance with this chapter. An initial reserve study must be prepared by a reserve study professional and based upon either a reserve study

professional's visual site inspection of completed improvements or a review of plans and specifications of or for unbuilt improvements, or both when construction of some but not all of the improvements is complete. An updated reserve study must be prepared annually. An updated reserve study must be prepared at least every third year by a reserve study professional and based upon a visual site inspection conducted by the reserve study professional.

(2) Unless the governing documents require otherwise, subsection (1) of this section does not apply:

(a) ((~~to~~)) To common interest communities containing units that are restricted in the declaration to nonresidential use((~~,~~));

(b) ((~~to~~)) To common interest communities that have only nominal reserve costs((~~,~~));

(c) To common interest communities consisting only of middle housing as defined under RCW 36.70A.030 that do not or will not in the future require the construction, operation, and maintenance on-site of any reserve component to manage wastewater and protect health and safety and ground and service waters; or ((~~(c)~~))

(d) ((~~when~~)) When the cost of the reserve study or update exceeds ((~~ten~~)) 10 percent of the association's annual budget.

(3) The governing documents may impose greater requirements on the board.

Sec. 6. RCW 64.90.530 and 2025 c 119 s 23 are each amended to read as follows:

(1) The association must prepare, or cause to be prepared, at least annually, a financial statement of the association in accordance with accrual based accounting practices.

(2) The financial statements of associations with annual assessments of ((~~$50,000~~)) $100,000 or more must be audited at least annually by a certified public accountant. In the case of an association with annual assessments of less than ((~~$50,000~~)) $100,000, as adjusted pursuant to RCW 64.90.065, an annual audit is also required but may be waived annually by unit owners other than the declarant of units to which a majority of the votes in the association are allocated, excluding the votes allocated to units owned by the declarant.

(3) The association must keep all funds of the association in the name of the association with a qualified financial institution, except as provided in RCW 64.90.535. The funds must not be commingled

with the funds of any other association or with the funds of any managing agent of the association or any other person, or be kept in any trust account or custodial account in the name of any trustee or custodian.

(4) A managing agent who accepts or receives funds belonging to the association must promptly deposit all such funds into an account maintained by the association as provided in subsection (3) of this section or RCW 64.90.535, as appropriate.

Sec. 7. RCW 64.90.065 and 2024 c 321 s 302 are each amended to read as follows:

(1) From time to time the dollar amount specified in RCW 64.90.360(4)<u>, 64.90.530(2),</u> and 64.90.640(2) must change, as provided in subsections (2) and (3) of this section, according to and to the extent of changes in the consumer price index for urban wage earners and clerical workers: United States city average, all items 1967 = 100, compiled by the bureau of labor statistics, United States department of labor, (the "index"). The index for December 1979, which was 230, is the reference base index.

(2) The dollar amounts specified in RCW 64.90.360(4)<u>, 64.90.530(2),</u> and 64.90.640(2) and any amount stated in the declaration pursuant to RCW 64.90.360(4) and 64.90.640(2) must change on July 1st of each year if the percentage of change, calculated to the nearest whole percentage point, between the index at the end of the preceding year and the reference base index, is 10 percent or more, but: (a) The portion of the percentage change in the index in excess of a multiple of 10 percent must be disregarded and the dollar amount may only change in multiples of 10 percent of the amount appearing in this chapter on July 1, 2018; (b) the dollar amount must not change if the amount required under this section is that currently in effect pursuant to this chapter as a result of earlier application of this section; and (c) the dollar amount must not be reduced below the amount appearing in this chapter on July 1, 2018.

(3) If the index is revised after December 1979, the percentage of change pursuant to this section must be calculated on the basis of the revised index. If the revision of the index changes the reference base index, a revised reference base index must be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the bureau of labor statistics. If the index is superseded, the index referred to in this section is the one

represented by the bureau of labor statistics as reflecting most accurately the changes in the purchasing power of the dollar for consumers.

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