



## 2021 End of Session Report

CAI's Washington Legislative Action Committee (WA LAC) was busy this session tracking and advocating legislation. The 17-member committee volunteered hundreds of collective hours to review bills, draft testimony, meet with legislators and other decision-makers, and testify for or against bills. Washington legislators introduced more than 1,100 bills, but only 300 were enacted. The LAC monitored 23 bills that could impact community associations; their top priority bills are summarized below.

**SB 5011, Addressing electronic meetings and notice provisions for common interest communities, condominiums, and homeowners' association.** This bill was supported by the WA LAC, which addresses electronic meetings and notice provisions for common interest communities, condominiums, and homeowners' associations. The bill passed almost unanimously by the entire Legislature on April 14, 2021. The Governor signed the bill into law on May 10, 2021, and it becomes effective July 25, 2021.

**Status: PASSED**

**SB 5024, Water-intrusion planning & inspection removal.** This bill as introduced exempts condominiums with ten or fewer units and no more than two stories from the requirement to submit building enclosure design documents and obtain periodic inspections throughout the course of construction. The WA LAC opposed this section of the bill as introduced. The WA LAC supported the portion of this bill which allows 10% of the earnest money deposit funds for the purchase of a unit in a common interest community to be used for construction costs if the declarant maintains a surety bond in favor of the purchaser in the amount of the deposit.

The section the WA LAC opposed was removed and replaced with a provision merely confirming existing law that a qualified inspector for purposes of inspecting the building enclosure during construction of a multi-unit residential building may include the architect or engineer of record. The provision permitting use of escrow deposits for construction was modified: a maximum of 5% of earnest money deposits may be withdrawn by the developer and used for actual construction costs, provided a surety bond is in place and the amount withdrawn does not exceed the face amount of the bond. WA LAC became neutral with this change. The bill passed the entire Legislature on April 15, 2021. The Governor signed the bill into law on May 12, 2021.

**Status: PASSED**

**SB 5034, Concerning the nonprofit corporation act.** The WA LAC support this bill which, adopts a new Washington Nonprofit Corporation Act that makes comprehensive changes to the law governing nonprofit corporations. Most changes are related to updating the allowance to use more up-to-date technology resources. The bill passed the entire Legislature on April 14, 2021. Signed by the Governor on May 3, 2021.

**Status: PASSED**

**HB 1482, Foreclosure process in Community Associations.** The WA LAC ultimately supported this bill, which was introduced due to a broad belief by the Legislature that the pandemic will lead to mass foreclosures, there was a huge bipartisan support of this bill. Over the last three years, WA LAC has been in negotiations with several sponsors of the bill and this bill is the final result of those negotiations. It was a massive effort to get to this compromise. This bill modifies the Washington Uniform Common Interest Ownership Act to prohibit commencing an action to foreclose an association lien for past- due assessments unless:

- the unit owner owes a specified minimum amount of \$200;

- the association provides to the unit owner a notice of delinquency; and
- at least 180 days have elapsed from the date the minimum required amount of past-due assessments has accrued.
- Provides that, effective January 1, 2024, an association must wait at least 90 days from the date the minimum required amount of past-due assessments is accrued before commencing an action to foreclose a lien.

The bill passed unanimously out of both chambers on April 22, 2021. The bill contains an emergency clause and takes effect immediately, except for sections 2, 4, 6, and 9 related to reducing the wait period from 180 to 90 days, which take effect January 1, 2024.

**Status: PASSED**

**HB 1108, Update to the Foreclosure Fairness Act.** The WA LAC supported this bill, which shifts the remittance requirement and remittance payment amount so they are based on notices of default rather than notices of trustee sales. Modifies remittance payment from \$325 for a notice of trustee sale to \$250 for a notice of default (NOD). Expands applicability of the Foreclosure Fairness Act (FFA) to non-owner-occupied residential real property of up to four units. The bill passed unanimously throughout the legislative process, with the final passage on April 12, 2021, and was signed by the Governor on May 3, 2021. The bill contains an emergency clause and takes effect immediately, except for sections 5, 9, 11, and 12, relating to the shift to the NOD-based remittance, which take effect January 1, 2022, and sections 13 and 14 relating to the repeal of the NOTS-based remittance requirement, which take effect June 30, 2023.

**Status: PASSED**

**HB 1335, Concerning the review of unlawful racial restrictions.** The WA LAC supported this bill, which requires the University of Washington and Eastern Washington University to review existing deeds and covenants for unlawful racial or other discriminatory restrictions and provide notice of such restrictions to property owners and county auditors.

- Adds to the seller disclosure statement a notice to the buyer of real property that covenant, or deed restrictions based on race or other protected classes are unlawful and provides the methods to revise those restrictions.
- Provides a process for striking and removing unlawful provisions from the record and chain of title after a property owner files an action in superior court.

Final passage of this bill occurred on April 15, 2021 and was signed by the Governor on May 12, 2021. It becomes effective on July 25, 2021.

**Status: PASSED**

### Washington Contact Information

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### Your Assistance is Needed

Expenses incurred by the LAC are paid for with donations and Advocacy Fund fees. Corporate contributions are allowed and appreciated. Most community association boards can legally allocate money to support the WA LAC. Please visit [www.caionline.org/lacdonate/](http://www.caionline.org/lacdonate/) and donate to “Washington” to support our continued efforts.

For more information visit [www.caionline.org/WALAC](http://www.caionline.org/WALAC).