AN ACT Relating to reserve studies for certain homeowners' associations; and amending RCW 64.34.380.

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

Sec. 1. RCW 64.34.380 and 2011 c 189 s 3 are each amended to read as follows:

(1) An association is encouraged to establish a reserve account with a financial institution to fund major maintenance, repair, and replacement of common elements, including limited common elements that will require major maintenance, repair, or replacement within thirty years. If the association establishes a reserve account, the account must be in the name of the association. The board of directors is responsible for administering the reserve account.

(2) Unless doing so would impose an unreasonable hardship, an association with significant assets shall prepare and update a reserve study, in accordance with the association's governing documents and RCW 64.34.224(1). The initial reserve study must be based upon a visual site inspection conducted by a reserve study professional.

(3) Unless doing so would impose an unreasonable hardship, the association shall update the reserve study annually. At least every
three years, an updated reserve study must be prepared and based upon
a visual site inspection conducted by a reserve study professional. An
association with fewer than fifty units or homes may, by a majority
vote of its members, elect to have the board update the reserve study
annually after the association has had one reserve study conducted by
a reserve study professional.

(4) This section and RCW 64.34.382 through 64.34.392 apply to
condominiums governed by chapter 64.32 RCW or this chapter and intended
in whole or in part for residential purposes. These sections do not
apply to condominiums consisting solely of units that are restricted in
the declaration to nonresidential use. An association's governing
documents may contain stricter requirements.