

SHB 2014 - S COMM AMD

By Committee on Consumer Protection & Housing

NOT ADOPTED 03/06/2008

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 64.34.440 and 1992 c 220 s 25 are each amended to  
4 read as follows:

5 (1)(a) A declarant of a conversion condominium, and any dealer who  
6 intends to offer units in such a condominium, shall give each of the  
7 residential tenants and any residential subtenant in possession of a  
8 portion of a conversion condominium notice of the conversion and  
9 provide those persons with the public offering statement no later than  
10 ((~~ninety~~)) one hundred twenty days before the tenants and any subtenant  
11 in possession are required to vacate. The notice must:

12 (i) Set forth generally the rights of tenants and subtenants under  
13 this section ((~~and shall~~));

14 (ii) Be delivered pursuant to notice requirements set forth in RCW  
15 59.12.040; and

16 (iii) Expressly state whether there is a county or city relocation  
17 assistance program for tenants or subtenants of conversion condominiums  
18 in the jurisdiction in which the property is located. If the county or  
19 city does have a relocation assistance program, the following must also  
20 be included in the notice:

21 (A) A summary of the terms and conditions under which relocation  
22 assistance is paid; and

23 (B) Contact information for the city or county relocation  
24 assistance program, which must include, at a minimum, a telephone  
25 number of the city or county department that administers the relocation  
26 assistance program for conversion condominiums.

27 (b) No tenant or subtenant may be required to vacate upon less than  
28 ((~~ninety~~)) one hundred twenty days' notice, except by reason of  
29 nonpayment of rent, waste, conduct that disturbs other tenants'  
30 peaceful enjoyment of the premises, or act of unlawful detainer as

1 defined in RCW 59.12.030, and the terms of the tenancy may not be  
2 altered during that period except as provided in (c) of this  
3 subsection.

4 (c) At the declarant's option, the declarant may provide all  
5 tenants in a single building with an option to terminate their lease or  
6 rental agreements without cause or consequence after providing the  
7 declarant with thirty days' notice. In such case, tenants continue to  
8 have access to relocation assistance under subsection (6)(e) of this  
9 section.

10 (d) Nothing in this subsection shall be deemed to waive or repeal  
11 RCW 59.18.200(2). Failure to give notice as required by this section  
12 is a defense to an action for possession.

13 (2) For sixty days after delivery or mailing of the notice  
14 described in subsection (1) of this section, the person required to  
15 give the notice shall offer to convey each unit or proposed unit  
16 occupied for residential use to the tenant who leases that unit. If a  
17 tenant fails to purchase the unit during that sixty-day period, the  
18 offeror may offer to dispose of an interest in that unit during the  
19 following one hundred eighty days at a price or on terms more favorable  
20 to the offeree than the price or terms offered to the tenant only if:

21 (a) Such offeror, by written notice mailed to the tenant's last known  
22 address, offers to sell an interest in that unit at the more favorable  
23 price and terms, and (b) such tenant fails to accept such offer in  
24 writing within ten days following the mailing of the offer to the  
25 tenant. This subsection does not apply to any unit in a conversion  
26 condominium if that unit will be restricted exclusively to  
27 nonresidential use or the boundaries of the converted unit do not  
28 substantially conform to the dimensions of the residential unit before  
29 conversion.

30 (3) If a seller, in violation of subsection (2) of this section,  
31 conveys a unit to a purchaser for value who has no knowledge of the  
32 violation, recording of the deed conveying the unit extinguishes any  
33 right a tenant may have to purchase that unit but does not affect the  
34 right of a tenant to recover damages from the seller for a violation of  
35 subsection (2) of this section.

36 (4) If a notice of conversion specifies a date by which a unit or  
37 proposed unit must be vacated and otherwise complies with the

1 provisions of this chapter and chapter 59.18 RCW, the notice also  
2 constitutes a notice to vacate specified by that statute.

3 (5) Nothing in this section permits termination of a lease by a  
4 declarant in violation of its terms.

5 (6) Notwithstanding RCW 64.34.050(1), a city or county may by  
6 appropriate ordinance require with respect to any conversion  
7 condominium within the jurisdiction of such city or county that:

8 (a) In addition to the statement required by RCW 64.34.415(1)(a),  
9 the public offering statement shall contain a copy of the written  
10 inspection report prepared by the appropriate department of such city  
11 or county, which report shall list any violations of the housing code  
12 or other governmental regulation, which code or regulation is  
13 applicable regardless of whether the real property is owned as a  
14 condominium or in some other form of ownership; said inspection shall  
15 be made within forty-five days of the declarant's written request  
16 therefor and said report shall be issued within fourteen days of said  
17 inspection being made. Such inspection may not be required with  
18 respect to any building for which a final certificate of occupancy has  
19 been issued by the city or county within the preceding twenty-four  
20 months; and any fee imposed for the making of such inspection may not  
21 exceed the fee that would be imposed for the making of such an  
22 inspection for a purpose other than complying with this subsection  
23 (6)(a);

24 (b) Prior to the conveyance of any residential unit within a  
25 conversion condominium, other than a conveyance to a declarant or  
26 affiliate of a declarant: (i) All violations disclosed in the  
27 inspection report provided for in (a) of this subsection, and not  
28 otherwise waived by such city or county, shall be repaired, and (ii) a  
29 certification shall be obtained from such city or county that such  
30 repairs have been made, which certification shall be based on a  
31 reinspection to be made within seven days of the declarant's written  
32 request therefor and which certification shall be issued within seven  
33 days of said reinspection being made;

34 (c) The repairs required to be made under (b) of this subsection  
35 shall be warranted by the declarant against defects due to workmanship  
36 or materials for a period of one year following the completion of such  
37 repairs;

1 (d) Prior to the conveyance of any residential unit within a  
2 conversion condominium, other than a conveyance to a declarant or  
3 affiliate of a declarant: (i) The declarant shall establish and  
4 maintain, during the one-year warranty period provided under (c) of  
5 this subsection, an account containing a sum equal to ten percent of  
6 the actual cost of making the repairs required under (b) of this  
7 subsection; (ii) during the one-year warranty period, the funds in such  
8 account shall be used exclusively for paying the actual cost of making  
9 repairs required, or for otherwise satisfying claims made, under such  
10 warranty; (iii) following the expiration of the one-year warranty  
11 period, any funds remaining in such account shall be immediately  
12 disbursed to the declarant; and (iv) the declarant shall notify in  
13 writing the association and such city or county as to the location of  
14 such account and any disbursements therefrom; (~~and~~)

15 (e) A declarant shall pay relocation assistance (~~(not to exceed~~  
16 ~~five hundred dollars per unit shall be paid)~~), in an amount to be  
17 determined by the city or county, which may not exceed a sum equal to  
18 three months of the tenant's or subtenant's rent at the time the  
19 conversion notice required under subsection (1) of this section is  
20 received, to tenants and subtenants:

21 (i) Who elect not to purchase a unit (~~and~~);

22 (ii) Who are in lawful occupancy for residential purposes of a  
23 unit; and

24 (iii) Whose monthly household income from all sources, on the date  
25 of the notice described in subsection (1) of this section, was less  
26 than an amount equal to eighty percent of (~~(+i)~~);

27 (A) The monthly median income for comparably sized households in  
28 the standard metropolitan statistical area, as defined and established  
29 by the United States department of housing and urban development, in  
30 which the condominium is located(~~(τ)~~); or (~~(+ii)~~)

31 (B) If the condominium is not within a standard metropolitan  
32 statistical area, the monthly median income for comparably sized  
33 households in the state of Washington, as defined and determined by  
34 said department.

35 The household size of a unit shall be based on the number of  
36 persons actually in lawful occupancy of the unit. The tenant or  
37 subtenant actually in lawful occupancy of the unit shall be entitled to  
38 the relocation assistance. Relocation assistance shall be paid on or

1 before the date the tenant or subtenant vacates and shall be in  
2 addition to any damage deposit or other compensation or refund to which  
3 the tenant is otherwise entitled. Unpaid rent or other amounts owed by  
4 the tenant or subtenant to the landlord may be offset against the  
5 relocation assistance;

6 (f) Except as authorized under (g) of this subsection, a declarant  
7 and any dealer shall not begin any construction, remodeling, or repairs  
8 to any interior portion of an occupied building that is to be converted  
9 to a condominium during the one hundred twenty-day notice period  
10 provided for in subsection (1) of this section unless all residential  
11 tenants and residential subtenants who have elected not to purchase a  
12 unit and who are in lawful occupancy in the building have vacated the  
13 premises. For the purposes of this subsection:

14 (i) "Construction, remodeling, or repairs" means the work that is  
15 done for the purpose of converting the condominium, not work that is  
16 done to maintain the building or lot for the residential use of the  
17 existing tenants or subtenants;

18 (ii) "Occupied building" means a stand-alone structure occupied by  
19 tenants and does not include other stand-alone buildings located on the  
20 property or detached common area facilities; and

21 (g)(i) A declarant and any dealer may begin construction,  
22 remodeling, or repairs to interior portions of an occupied building  
23 under the following circumstances:

24 (A) To repair or remodel vacant units to be used as model units, if  
25 the repair or remodel is limited to one model for each unit type in the  
26 building;

27 (B) To repair or remodel a vacant unit or common area for use as a  
28 sales office; and

29 (C) The declarant or dealer has offered existing tenants an option  
30 to terminate an existing lease or rental agreement without cause or  
31 consequence under subsection (1)(c) of this section.

32 (ii) The work performed under this subsection (6)(g) must not  
33 violate the tenant's or subtenant's rights of quiet enjoyment during  
34 the one hundred twenty-day notice period.

35 (7) Violations of any city or county ordinance adopted as  
36 authorized by subsection (6) of this section shall give rise to such  
37 remedies, penalties, and causes of action which may be lawfully imposed

1 by such city or county. Such violations shall not invalidate the  
2 creation of the condominium or the conveyance of any interest therein.

3 **Sec. 2.** RCW 82.02.020 and 2006 c 149 s 3 are each amended to read  
4 as follows:

5 Except only as expressly provided in chapters 67.28 and 82.14 RCW,  
6 the state preempts the field of imposing taxes upon retail sales of  
7 tangible personal property, the use of tangible personal property,  
8 parimutuel wagering authorized pursuant to RCW 67.16.060, conveyances,  
9 and cigarettes, and no county, town, or other municipal subdivision  
10 shall have the right to impose taxes of that nature. Except as  
11 provided in RCW 64.34.440 and 82.02.050 through 82.02.090, no county,  
12 city, town, or other municipal corporation shall impose any tax, fee,  
13 or charge, either direct or indirect, on the construction or  
14 reconstruction of residential buildings, commercial buildings,  
15 industrial buildings, or on any other building or building space or  
16 appurtenance thereto, or on the development, subdivision,  
17 classification, or reclassification of land. However, this section  
18 does not preclude dedications of land or easements within the proposed  
19 development or plat which the county, city, town, or other municipal  
20 corporation can demonstrate are reasonably necessary as a direct result  
21 of the proposed development or plat to which the dedication of land or  
22 easement is to apply.

23 This section does not prohibit voluntary agreements with counties,  
24 cities, towns, or other municipal corporations that allow a payment in  
25 lieu of a dedication of land or to mitigate a direct impact that has  
26 been identified as a consequence of a proposed development,  
27 subdivision, or plat. A local government shall not use such voluntary  
28 agreements for local off-site transportation improvements within the  
29 geographic boundaries of the area or areas covered by an adopted  
30 transportation program authorized by chapter 39.92 RCW. Any such  
31 voluntary agreement is subject to the following provisions:

32 (1) The payment shall be held in a reserve account and may only be  
33 expended to fund a capital improvement agreed upon by the parties to  
34 mitigate the identified, direct impact;

35 (2) The payment shall be expended in all cases within five years of  
36 collection; and

1 (3) Any payment not so expended shall be refunded with interest to  
2 be calculated from the original date the deposit was received by the  
3 county and at the same rate applied to tax refunds pursuant to RCW  
4 84.69.100; however, if the payment is not expended within five years  
5 due to delay attributable to the developer, the payment shall be  
6 refunded without interest.

7 No county, city, town, or other municipal corporation shall require  
8 any payment as part of such a voluntary agreement which the county,  
9 city, town, or other municipal corporation cannot establish is  
10 reasonably necessary as a direct result of the proposed development or  
11 plat.

12 Nothing in this section prohibits cities, towns, counties, or other  
13 municipal corporations from collecting reasonable fees from an  
14 applicant for a permit or other governmental approval to cover the cost  
15 to the city, town, county, or other municipal corporation of processing  
16 applications, inspecting and reviewing plans, or preparing detailed  
17 statements required by chapter 43.21C RCW.

18 This section does not limit the existing authority of any county,  
19 city, town, or other municipal corporation to impose special  
20 assessments on property specifically benefitted thereby in the manner  
21 prescribed by law.

22 Nothing in this section prohibits counties, cities, or towns from  
23 imposing or permits counties, cities, or towns to impose water, sewer,  
24 natural gas, drainage utility, and drainage system charges: PROVIDED,  
25 That no such charge shall exceed the proportionate share of such  
26 utility or system's capital costs which the county, city, or town can  
27 demonstrate are attributable to the property being charged: PROVIDED  
28 FURTHER, That these provisions shall not be interpreted to expand or  
29 contract any existing authority of counties, cities, or towns to impose  
30 such charges.

31 Nothing in this section prohibits a transportation benefit district  
32 from imposing fees or charges authorized in RCW 36.73.120 nor prohibits  
33 the legislative authority of a county, city, or town from approving the  
34 imposition of such fees within a transportation benefit district.

35 Nothing in this section prohibits counties, cities, or towns from  
36 imposing transportation impact fees authorized pursuant to chapter  
37 39.92 RCW.

1 Nothing in this section prohibits counties, cities, or towns from  
2 requiring property owners to provide relocation assistance to tenants  
3 under RCW 59.18.440 and 59.18.450.

4 Nothing in this section limits the authority of counties, cities,  
5 or towns to implement programs consistent with RCW 36.70A.540, nor to  
6 enforce agreements made pursuant to such programs.

7 This section does not apply to special purpose districts formed and  
8 acting pursuant to Titles 54, 57, or 87 RCW, nor is the authority  
9 conferred by these titles affected.

10 NEW SECTION. **Sec. 3.** A new section is added to chapter 64.34 RCW  
11 to read as follows:

12 All cities and counties planning under RCW 36.70A.040, which have  
13 allowed any conversion condominiums within the jurisdiction within the  
14 previous twelve-month period, must report annually to the department of  
15 community, trade, and economic development the following information:

16 (1) The total number of apartment units converted into  
17 condominiums;

18 (2) The total number of conversion condominium projects; and

19 (3) The total number of apartment tenants who receive relocation  
20 assistance and the total amount of that assistance per tenant.

21 **Sec. 4.** RCW 59.18.200 and 2003 c 7 s 1 are each amended to read as  
22 follows:

23 (1)(a) When premises are rented for an indefinite time, with  
24 monthly or other periodic rent reserved, such tenancy shall be  
25 construed to be a tenancy from month to month, or from period to period  
26 on which rent is payable, and shall be terminated by written notice of  
27 twenty days or more, preceding the end of any of the months or periods  
28 of tenancy, given by either party to the other.

29 (b) Any tenant who is a member of the armed forces, including the  
30 national guard and armed forces reserves, or that tenant's spouse or  
31 dependant, may terminate a rental agreement with less than twenty days'  
32 notice if the tenant receives reassignment or deployment orders that do  
33 not allow a twenty-day notice.

34 (2)(a) Whenever a landlord (~~(plans to change any apartment or~~  
35 ~~apartments to a condominium form of ownership or)~~) plans to change to  
36 a policy of excluding children, the landlord shall give a written

1 notice to a tenant at least ninety days before termination of the  
2 tenancy to effectuate such change in policy. Such ninety-day notice  
3 shall be in lieu of the notice required by subsection (1) of this  
4 section. However, if after giving the ninety-day notice the change in  
5 policy is delayed, the notice requirements of subsection (1) of this  
6 section shall apply unless waived by the tenant.

7 (b) Whenever a landlord plans to change any apartment or apartments  
8 to a condominium form of ownership, the landlord shall provide a  
9 written notice to a tenant at least one hundred twenty days before  
10 termination of the tenancy, in compliance with RCW 64.34.440(1), to  
11 effectuate such change. The one hundred twenty-day notice is in lieu  
12 of the notice required in subsection (1) of this section. However, if  
13 after providing the one hundred twenty-day notice the change to a  
14 condominium form of ownership is delayed, the notice requirements in  
15 subsection (1) of this section apply unless waived by the tenant.

16 NEW SECTION. Sec. 5. This act does not apply to any conversion  
17 condominiums for which a notice required under RCW 64.34.440(1) has  
18 been delivered before the effective date of this act.

19 NEW SECTION. Sec. 6. This act takes effect August 1, 2008."

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**NOT ADOPTED 03/06/2008**

20 On page 1, line 1 of the title, after "condominiums;" strike the  
21 remainder of the title and insert "amending RCW 64.34.440, 82.02.020,  
22 and 59.18.200; adding a new section to chapter 64.34 RCW; creating a  
23 new section; and providing an effective date."

EFFECT: Changes the effective date from 2007 to 2008. The

Residential Landlord-Tenant Act is amended to provide the proper notice of a condo conversion. The reporting requirements are narrowed down, so a city/county planning under the GMA is only required to report the following information annually to CTED: (1) The number of apartments converted into condominiums; (2) the number of condominium projects; and (3) the total number of apartment tenants who receive relocation assistance, including the amount of assistance the tenant receives.

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