

Hidden Lakes HOA

**Legislative Updates for 2024-2026
From Pody & McDonald, PLLC
January 2, 2025**

Created by Ginger Gerde
Available to Homeowners January 2025

	Corporate Transparency Act (CTA	Federal
FinCEN	Financial Crimes Enforcement Network https://www.fincen.gov/boi	There is currently a nationwide preliminary injunction barring enforcement of the CTA and it is not necessary to register. It is recommended that officers register voluntarily to avoid having to track the status of pending litigation and potential short notice of reinstatement of reporting req.
2024	Senate Bill 5796	Repeal of the following RCWs 64.32 – Horizontal Property Regimes Act 64.34 – Washington Condominium Act 64.38 – Homeowner Association Act
64.32	Horizontal Property Regimes Act	RCW 64.32.010: Definitions. (<i>Effective until January 1, 2028.</i>) See detail Below
64.34	Washington Condominium Act	Chapter 64.34 RCW: CONDOMINIUM ACT
64.38	Homeowner Association Act	RCW 64.38.005: Intent. (<i>Effective until January 1, 2028.</i>) RCW 64.38.005 Intent. (<i>Effective until January 1, 2028.</i>) The intent of this chapter is to provide consistent laws regarding the formation and legal administration of homeowners' associations.
2028 Jan 01 64.90	Washington Uniform Common Interest Ownership Act	Additionally: 64.90 – making nearly all community associations subject to the Washington Uniform Common Interest Ownership Act Chapter 64.90 RCW: WASHINGTON UNIFORM COMMON INTEREST OWNERSHIP ACT
2024	House Bill 5973	Limits the ability of an association to regulate the installation of heat pumps by individual owners

	House Bill 1054	Prohibits an association from regulating or limiting the number of unrelated persons that may occupy a lot or unit except for certain exceptions.
2025	House Bill pre-filing	Proposes revisions to the Washington Uniform Common Interest Ownership Act: making certain provisions applicable to all associations on Jan 1, 2026 instead of Jan 1 2028
	More bills expected to be introduced once the session starts in 2025	
Repealed	64.32 Horizontal Property Regimes Act	<p>RCW 64.32.010: Definitions. (<i><i>Effective until January 1, 2028.</i></i>)</p> <p>(4) "Association of apartment owners" means all of the apartment owners acting as a group in accordance with the bylaws and with the declaration as it is duly recorded or as they may be lawfully amended.</p> <p>(5) "Building" means a building, containing two or more apartments, or two or more buildings each containing one or more apartments, and comprising a part of the property.</p> <p>(6) "Common areas and facilities", unless otherwise provided in the declaration as duly recorded or as it may be lawfully amended, includes:</p> <p>(a) The land on which the building is located;</p> <p>(b) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbys, stairs, stairways, fire escapes, and entrances and exits of the building;</p> <p>(c) The basements, yards, gardens, parking areas and storage spaces;</p> <p>(d) The premises for the lodging of janitors or persons in charge of the property;</p> <p>(e) The installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;</p> <p>(f) The elevators, tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use;</p> <p>(g) Such community and commercial facilities as may be provided for in the declaration as duly recorded or as it may be lawfully amended;</p> <p>(h) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.</p> <p>Sections 7 "Common Expenses" include:</p> <p>(a) All sums lawfully assessed against the apartment owners by the association of apartment owners;</p> <p>(b) Expenses of administration, maintenance, repair, or replacement of the common areas and facilities;</p> <p>(c) Expenses agreed upon as common expenses by the association of apartment owners;</p> <p>(d) Expenses declared common expenses by the provisions of this chapter, or by the declaration as it is duly recorded, or by the bylaws, or as they may be lawfully amended.</p>

		<p>(8) "Common profits" means the balance of all income, rents, profits and revenues from the common areas and facilities remaining after the deduction of the common expenses.</p> <p>(9) "Declaration" means the instrument by which the property is submitted to provisions of this chapter, as hereinafter provided, and as it may be, from time to time, lawfully amended.</p> <p>(10) "Electronic transmission" or "electronically transmitted" means any electronic communication not directly involving the physical transfer of a writing in a tangible medium, but that may be retained, retrieved, and reviewed by the sender and the recipient of the communication, and that may be directly reproduced in a tangible medium by a sender and recipient.</p> <p>(11) "Land" means the material of the earth, whatever may be the ingredients of which it is composed, whether soil, rock, or other substance, whether or not submerged, and includes free or occupied space for an indefinite distance upwards as well as downwards, subject to limitations upon the use of airspace imposed, and rights in the use of the airspace granted, by the laws of this state or of the United States.</p> <p>(12) "Limited common areas and facilities" includes those common areas and facilities designated in the declaration, as it is duly recorded or as it may be lawfully amended, as reserved for use of certain apartment or apartments to the exclusion of the other apartments.</p> <p>(13) "Majority" or "majority of apartment owners" means the apartment owners with fifty-one percent or more of the votes in accordance with the percentages assigned in the declaration, as duly recorded or as it may be lawfully amended, to the apartments for voting purposes.</p> <p>(14) "Percent of the apartment owners" means the apartment owners with the stated percent or more of the votes in accordance with the percentages assigned in the declaration, as duly recorded or as it may be lawfully amended, to the apartments for voting purposes.</p> <p>(15) "Person" includes any individual, corporation, partnership, association, trustee, or other legal entity.</p> <p>(16) "Property" means the land, the building, all improvements and structures thereon, all owned in fee simple absolute or qualified, by way of leasehold or by way of a periodic estate, or in any other manner in which real property may be owned, leased or possessed in this state, and all easements, rights and appurtenances belonging thereto, none of which shall be considered as a security or security interest, and all articles of personalty intended for use in connection therewith, which have been or are intended to be submitted to the provisions of this chapter.</p> <p>(17) "Tangible medium" means a writing, copy of a writing, facsimile, or a physical reproduction, each on paper or on other tangible material.</p>
	Applications of chapter 64.32.020	This chapter shall be applicable only to property, the sole owner or all of the owners, lessees or possessors of which submit the same to the provisions hereof by duly executing and recording a declaration as hereinafter provided.
Repealed	64.34 Washington Condominium Act	Chapter 64.34 RCW: CONDOMINIUM ACT Applicability. (effective until January 1, 2028)

RCW 64.34.336 –

Quorums. (Effective until January 1, 2028.)

(1) Unless the bylaws specify a larger percentage, a quorum is present throughout any meeting of the association if the owners of units to which twenty-five percent of the votes of the association are allocated are present in person or by proxy at the beginning of the meeting.

(2) Unless the bylaws specify a larger percentage, a quorum is deemed present throughout any meeting of the board of directors if persons entitled to cast fifty percent of the votes on the board of directors are present at the beginning of the meeting.

RCW 64.34.340 – Voting 3.c. quorum additionally stated in RCW 64.38.120 3.c.

(c) Unless a greater number or fraction of the votes in the association is required under this chapter or the declaration or organizational documents, a majority of the votes cast determines the outcome of any action of the association.

[RCW 64.34.308: Board of directors and officers. \(<i>Effective until January 1, 2028.</i>\)](#)

Applicability:

Board of directors and officers. (Effective until January 1, 2028.)

(1) Except as provided in the declaration, the bylaws, subsection (2) of this section, or other provisions of this chapter, the board of directors shall act in all instances on behalf of the association. In the performance of their duties, the officers and members of the board of directors are required to exercise: (a) If appointed by the declarant, the care required of fiduciaries of the unit owners; or (b) if elected by the unit owners, ordinary and reasonable care.

(2) The board of directors shall not act on behalf of the association to amend the declaration in any manner that requires the vote or approval of the unit owners pursuant to RCW [64.34.264](#), to terminate the condominium pursuant to RCW [64.34.268](#), or to elect members of the board of directors or determine the qualifications, powers, and duties, or terms of office of members of the board of directors pursuant to subsection (7) of this section; but the board of directors may fill vacancies in its membership for the unexpired portion of any term.

(3) Except as provided in RCW [64.90.080](#), [64.90.405](#)(1) (b) and (c), and [64.90.525](#), within thirty days after adoption of any proposed budget for the condominium, the board of directors shall provide a summary of the budget to all the unit owners and shall set a date for a

meeting of the unit owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing of the summary. Unless at that meeting the owners of units to which a majority of the votes in the association are allocated or any larger percentage specified in the declaration reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the unit owners shall be continued until such time as the unit owners ratify a subsequent budget proposed by the board of directors.

(4) As part of the summary of the budget provided to all unit owners, the board of directors shall disclose to the unit owners:

(a) The current amount of regular assessments budgeted for contribution to the reserve account, the recommended contribution rate from the reserve study, and the funding plan upon which the recommended contribution rate is based;

(b) If additional regular or special assessments are scheduled to be imposed, the date the assessments are due, the amount of the assessments per each unit per month or year, and the purpose of the assessments;

(c) Based upon the most recent reserve study and other information, whether currently projected reserve account balances will be sufficient at the end of each year to meet the association's obligation for major maintenance, repair, or replacement of reserve components during the next thirty years;

(d) If reserve account balances are not projected to be sufficient, what additional assessments may be necessary to ensure that sufficient reserve account funds will be available each year during the next thirty years, the approximate dates assessments may be due, and the amount of the assessments per unit per month or year;

(e) The estimated amount recommended in the reserve account at the end of the current fiscal year based on the most recent reserve study, the projected reserve account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest reserve study;

(f) The estimated amount recommended in the reserve account based upon the most recent reserve study at the end of each of the next five budget years, the projected reserve account cash balance in each of those years, and the projected percent funded for each of those years; and

(g) If the funding plan approved by the association is implemented, the projected reserve account cash balance in each of the next five budget years and the percent funded for each of those years.

(5)(a) Subject to subsection (6) of this section, the declaration may provide for a period of declarant control of the association, during which period a declarant, or persons designated by the declarant, may: (i) Appoint and remove the officers and members of the board of directors; or (ii) veto or approve a proposed action of the board or association. A declarant's failure to veto or approve such proposed action in writing within thirty days after receipt of written notice of the proposed action shall be deemed approval by the declarant.

(b) Regardless of the period provided in the declaration, a period of declarant control terminates no later than the earlier of: (i) Sixty days after conveyance of seventy-five percent of the

		<p>units which may be created to unit owners other than a declarant; (ii) two years after the last conveyance or transfer of record of a unit except as security for a debt; (iii) two years after any development right to add new units was last exercised; or (iv) the date on which the declarant records an amendment to the declaration pursuant to which the declarant voluntarily surrenders the right to further appoint and remove officers and members of the board of directors. A declarant may voluntarily surrender the right to appoint and remove officers and members of the board of directors before termination of that period pursuant to (i), (ii), and (iii) of this subsection (5)(b), but in that event the declarant may require, for the duration of the period of declarant control, that specified actions of the association or board of directors, as described in a recorded instrument executed by the declarant, be approved by the declarant before they become effective.</p> <p>(6) Not later than sixty days after conveyance of twenty-five percent of the units which may be created to unit owners other than a declarant, at least one member and not less than twenty-five percent of the members of the board of directors must be elected by unit owners other than the declarant. Not later than sixty days after conveyance of fifty percent of the units which may be created to unit owners other than a declarant, not less than thirty-three and one-third percent of the members of the board of directors must be elected by unit owners other than the declarant.</p> <p>(7) Within thirty days after the termination of any period of declarant control, the unit owners shall elect a board of directors of at least three members, at least a majority of whom must be unit owners. The number of directors need not exceed the number of units then in the condominium. The board of directors shall elect the officers. Such members of the board of directors and officers shall take office upon election.</p> <p>(8) Notwithstanding any provision of the declaration or bylaws to the contrary, the unit owners, by a two-thirds vote of the voting power in the association present and entitled to vote at any meeting of the unit owners at which a quorum is present, may remove any member of the board of directors with or without cause, other than a member appointed by the declarant. The declarant may not remove any member of the board of directors elected by the unit owners. Prior to the termination of the period of declarant control, the unit owners, other than the declarant, may remove by a two-thirds vote, any director elected by the unit owners.</p>
Repealed	64.38 – Homeowner Association Act	<p>RCW 64.38.005: Intent. (<i>Effective until January 1, 2028.</i>)</p> <p>The intent of this chapter is to provide consistent laws regarding the formation and legal administration of homeowners' associations.</p> <p><u>RCW 64.38.033</u></p> <p>Flag of the United States—Outdoor display—Governing documents. (<i>Effective until January 1, 2028.</i>)</p> <p>(1) The governing documents may not prohibit the outdoor display of the flag of the United States by an owner or resident on the owner's or resident's property if the flag is displayed</p>

in a manner consistent with federal flag display law, 4 U.S.C. Sec. 1 et seq. The governing documents may include reasonable rules and regulations, consistent with 4 U.S.C. Sec. 1 et seq., regarding the placement and manner of display of the flag of the United States.

(2) The governing documents may not prohibit the installation of a flagpole for the display of the flag of the United States. The governing documents may include reasonable rules and regulations regarding the location and the size of the flagpole.

(3) For purposes of this section, "flag of the United States" means the flag of the United States as defined in federal flag display law, 4 U.S.C. Sec. 1 et seq., that is made of fabric, cloth, or paper and that is displayed from a staff or flagpole or in a window. For purposes of this section, "flag of the United States" does not mean a flag depiction or emblem made of lights, paint, roofing, siding, paving materials, flora, or balloons, or of any similar building, landscaping, or decorative component.

(4) The provisions of this section shall be construed to apply retroactively to any governing documents in effect on June 10, 2004. Any provision in a governing document in effect on June 10, 2004, that is inconsistent with this section shall be void and unenforceable.

RCW 64.38.034

Political yard signs—Governing documents. *(Effective until January 1, 2028.)*

(1) The governing documents may not prohibit the outdoor display of political yard signs by an owner or resident on the owner's or resident's property before any primary or general election. The governing documents may include reasonable rules and regulations regarding the placement and manner of display of political yard signs.

(2) This section applies retroactively to any governing documents in effect on July 24, 2005. Any provision in a governing document in effect on July 24, 2005, that is inconsistent with this section is void and unenforceable.

RCW 64.38.035

Association meetings—Notice—Board of directors. *(Effective until January 1, 2028.)*

(1) A meeting of the association must be held at least once each year. Special meetings of the association may be called by the president, a majority of the board of directors, or by owners having ten percent of the votes in the association. The association must make available to each owner of record for examination and copying minutes from the previous association meeting not more than sixty days after the meeting. Minutes of the previous association meeting must be approved at the next association meeting in accordance with the association's governing documents.

(2) Not less than fourteen nor more than fifty days in advance of any meeting of the association, the secretary or other officers specified in the bylaws shall cause notice of the meeting to be provided to each owner in accordance with this chapter.

(3) The notice of any meeting shall state the time and place of the meeting and the business to be placed on the agenda by the board of directors for a vote by the owners, including the general nature of any proposed amendment to the articles of incorporation, bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a director.

(4) Except as provided in this subsection, all meetings of the board of directors shall be open for observation by all owners of record and their authorized agents. The board of directors shall keep minutes of all actions taken by the board, which shall be available to all owners. Upon the affirmative vote in open meeting to assemble in closed session, the board of directors may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the association, and matters involving the possible liability of an owner to the association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The board of directors shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the board of directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

(5) Except as otherwise restricted by the governing documents, meetings of the association may be conducted by telephonic, video, or other conferencing process, if: (a) The meeting notice states the conferencing process to be used and provides information explaining how owners may participate in the conference directly or by meeting at a central location or conference connection; and (b) the process provides all owners the opportunity to hear or perceive the discussion and to comment.

RCW 64.38.040

Quorum for meeting. (Effective until January 1, 2028.)

Unless the governing documents specify a different percentage, a quorum is present throughout any meeting of the association if the owners to which thirty-four percent of the votes of the association are allocated are present in person or by proxy at the beginning of the meeting.

RCW 64.38.060

Adult family homes. (Effective until January 1, 2028.)

(1) To effectuate the public policy of chapter [70.128](#) RCW, the governing documents may not limit, directly or indirectly:

(a) Persons with disabilities from living in an adult family home licensed under chapter [70.128](#) RCW; or

(b) Persons and legal entities from operating adult family homes licensed under chapter [70.128](#) RCW, whether for-profit or nonprofit, to provide services covered under chapter [70.128](#) RCW. However, this subsection does not prohibit application of reasonable nondiscriminatory regulation, including but not limited to landscaping standards or regulation of sign location or size, that applies to all residential property subject to the governing documents.

(2) This section applies retroactively to any governing documents in effect on July 26, 2009. Any provision in a governing document in effect on or after July 26, 2009, that is inconsistent with subsection (1) of this section is unenforceable to the extent of the conflict.

RCW [64.38.065](#)

Reserve account and study. (Effective until January 1, 2028.)

(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) Except as provided in RCW [64.90.080](#) and [64.90.545](#), 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 this chapter. The initial reserve study must be based upon a visual site inspection conducted by a reserve study professional.

(3) Except as provided in RCW [64.90.080](#) and [64.90.545](#), 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.

(4) The decisions relating to the preparation and updating of a reserve study must be made by the board of directors in the exercise of the reasonable discretion of the board. The decisions must include whether a reserve study will be prepared or updated, and whether the assistance of a reserve study professional will be utilized.

RCW 64.38.070

Reserve study—Requirements. (Effective until January 1, 2028.)

(1) A reserve study as described in RCW 64.38.065 is supplemental to the association's operating and maintenance budget. In preparing a reserve study, the association shall estimate the anticipated major maintenance, repair, and replacement costs, whose infrequent and significant nature make them impractical to be included in an annual budget.

(2) A reserve study must include:

(a) A reserve component list, including any reserve component that would cost more than one percent of the annual budget of the association, not including the reserve account, for major maintenance, repair, or replacement. If one of these reserve components is not included in the reserve study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, remaining useful life of each reserve component, and current major maintenance, repair, or replacement cost for each reserve component;

(b) The date of the study, and a statement that the study meets the requirements of this section;

(c) The following level of reserve study performed:

(i) Level I: Full reserve study funding analysis and plan;

(ii) Level II: Update with visual site inspection; or

(iii) Level III: Update with no visual site inspection;

(d) The association's reserve account balance;

(e) The percentage of the fully funded balance that the reserve account is funded;

(f) Special assessments already implemented or planned;

(g) Interest and inflation assumptions;

(h) Current reserve account contribution rates for a full funding plan and baseline funding plan;

(i) A recommended reserve account contribution rate, a contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study period without special assessments, and a contribution rate recommended by the reserve study professional;

(j) A projected reserve account balance for thirty years and a funding plan to pay for projected costs from that reserve account balance without reliance on future unplanned special assessments; and

(k) A statement on whether the reserve study was prepared with the assistance of a reserve study professional.

(3) A reserve study must also include the following disclosure: "This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include

		regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component."
Effective 1/1/2028	<p>64.90 – Washington Uniform Common Interest Ownership Act</p> <p>RCW 64.90.910</p> <p>Effective date.</p> <p>This act takes effect July 1, 2018.</p>	<p>Chapter 64.90 RCW: WASHINGTON UNIFORM COMMON INTEREST OWNERSHIP ACT</p> <p>This act took effect 1/1/2018 and our documents are in compliance with these RCWs.</p> <p>RCW 64.90.445</p> <p>Meetings. This section speaks specifically to requirements for regular meetings and executive committee meetings. <i>I found it to be consistent with our current governing documents but are attached for your reference.</i></p> <p>RCW 64.90.450</p> <p>Quorum.</p> <p>(1) Unless the organizational documents provide otherwise, a quorum is present throughout any meeting of the unit owners if at the beginning of the meeting persons entitled to cast 20 percent of the votes in the association attend in person, by proxy, by means of communication under RCW 64.90.445(1) (e) or (f), or have voted by absentee ballot.</p> <p>(2) Unless the organizational documents specify a larger number, a quorum of the board is present for purposes of determining the validity of any action taken at a meeting of the board only if individuals entitled to cast a majority of the votes on that board are present at the time a vote regarding that action is taken. If a quorum is present when a vote is taken, the affirmative vote of a majority of the board members present is the act of the board unless a greater vote is required by the organizational documents.</p> <p>RCW 64.90.509</p> <p>Governing documents, may not vary provision of chapter—Exceptions. This section refers to multiple sections within multiple (28) RCWs.</p>

I propose a committee to review this section prior to 1.1.2028 and seek the advice of our attorney regarding application of these exceptions.

RCW 64.90.525

Budgets—Assessments—Special assessments. *Speaks to the required notice.*

(1)(a) Within thirty days after adoption of any proposed budget for the common interest community, the board must provide a copy of the budget to all the unit owners and set a date for a meeting of the unit owners to consider ratification of the budget not less than fourteen nor more than fifty days after providing the budget. Unless at that meeting the unit owners of units to which a majority of the votes in the association are allocated or any larger percentage specified in the declaration reject the budget, the budget and the assessments against the units included in the budget are ratified, whether or not a quorum is present.

(b) If the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the unit owners continues until the unit owners ratify a subsequent budget proposed by the board.

(2) The budget must include:

- (a) The projected income to the association by category;
- (b) The projected common expenses and those specially allocated expenses that are subject to being budgeted, both by category;
- (c) The amount of the assessments per unit and the date the assessments are due;
- (d) The current amount of regular assessments budgeted for contribution to the reserve account;
- (e) A statement of whether the association has a reserve study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and

(f) The current deficiency or surplus in reserve funding expressed on a per unit basis.

(3) The board, at any time, may propose a special assessment. The assessment is effective only if the board follows the procedures for ratification of a budget described in subsection (1) of this section and the unit owners do not reject the proposed assessment. The board may provide that the special assessment may be due and payable in installments over any period it determines and may provide a discount for early payment.

