

# LAWMAKER REVIEW



## GOOD NEWS AND BAD NEWS

March 1, 2019

We have something to celebrate in Olympia this week, the unanimous passage of condo liability reform, [SB 5334](#), prime sponsors Senators Jamie Pedersen (D-Seattle) and Mike Padden (R-Spokane Valley). The legislation reduces personal liability of condo association officers by granting them the same immunity given to board members of nonprofits and companies. Currently, condo board members could be forced to pay for repair defects in their buildings if they do not sue the builders that cause them.

Homeowner Associations (HOAs) currently proactively sue to defend themselves. Additionally, lawsuits would need to prove the construction team violated state building codes and condo owners would have to prove not just that the defect exists, but it would cause harm, such as an unreasonable safety risk. The bill now heads to the House for consideration. Please thank your Senator and let your Representatives know we support this legislation.

We continue to work to educate lawmakers on these critical issues facing our industry and need your help. Unfortunately, many of the bills we oppose continue to move forward. Please [contact your local legislator](#) to weigh in on these issues of critical importance.

**Environmental Justice ([HB 2009](#) and [SB 5489](#)):** These bills would create a new board, comprised primarily of activists and limited to no building industry representation. It would circumvent existing law and allow a committee with a very skewed perspective to review all land use proposals to ensure that no one, now or in the future, could possibly be “harmed” by the development. HB 2009 is in the House Appropriations Committee and has not been scheduled for its fiscal committee hearing and may not survive cutoff. SB 5489 was heard in the Senate Ways & Means Committee on Feb. 27.

**Graduated REET Tax ([HB 1921](#)):** This proposal continues to gain steam with promises to lower REET for some while increasing REET on homes with higher price tags. Legislators are unable to address the increased cost of land acquisition and the pyramiding effect of excise taxes at every transaction that would drive up home prices for potential buyers. HB 1921 is in the House Finance Committee and some form of graduated REET will likely be considered necessary to implement the budget (NTIB), making it exempt from cutoff deadlines.

**Locally Increased Energy Codes ([HB 1257](#) and [SB 5293](#)):** We firmly oppose this legislation, which would create a patchwork of new rules across the state that add unnecessary costs to the price of homes. HB 1257 is in the House Finance Committee; SB 5293 is in the Senate Ways & Means Committee. Both have until March 1 to make it out of fiscal committees.

**Direct Contractor Liability ([SHB 1395](#)):** While the SB 5565 failed to make it out of its policy committee before cutoff, SHB 1395 is currently in the House Appropriations Committee and has until Friday, March 1, to make it out. With BIAW President Rick Hjelm’s key testimony, we have been out in full force, opposing this measure which would make general contractors liable for all benefits, contributions, and payroll for subcontractors’ employees on a project. Not only is it illegal to not pay your employees, but it’s also the Department of Labor and Industries’ job to enforce these laws. This act would shift responsibility to our members, increasing overhead and administrative costs.