AN ACT Relating to real estate disclosure; amending RCW 64.06.010, 64.06.020, 64.06.030, 64.06.040, 64.06.050, and 64.06.070; and providing an effective date.

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

Sec. 1. RCW 64.06.010 and 1994 c 200 s 2 are each amended to read as follows:

This chapter does not apply to the following transfers of residential real property:

(1) A foreclosure, deed-in-lieu of foreclosure, real estate contract forfeiture, or a sale by a lienholder who acquired the residential real property through foreclosure (or), deed-in-lieu of foreclosure, or real estate contract forfeiture;

(2) A gift or other transfer to a parent, spouse, or child of a transferor or child of any parent or spouse of a transferor;

(3) A transfer between spouses in connection with a marital dissolution;

(4) A transfer where a buyer had an ownership interest in the property within two years of the date of the transfer including, but not limited to, an ownership interest as a partner in a partnership, a
limited partner in a limited partnership, a shareholder in a
corporation, a leasehold interest, or transfers to and from a
facilitator pursuant to a tax deferred exchange;
(5) A transfer of an interest that is less than fee simple, except
that the transfer of a vendee’s interest under a real estate contract
is subject to the requirements of this chapter; and
(6) A transfer made by the personal representative of the estate of
the decedent or by a trustee in bankruptcy.

Sec. 2. RCW 64.06.020 and 1994 c 200 s 3 are each amended to read
as follows:
(1) In a transaction for the sale of residential real property, the
seller shall, unless the buyer has expressly waived the right to
receive the disclosure statement, or unless the transfer is exempt
under RCW 64.06.010, deliver to the buyer a completed real property
transfer disclosure statement in the following (form) format and that
contains, at a minimum, the following information:

INSTRUCTIONS TO THE SELLER
Please complete the following form. Do not leave any spaces blank. If
the question clearly does not apply to the property write "NA". If the
answer is "yes" to any * items, please explain on attached sheets.
Please refer to the line number(s) of the question(s) when you provide
your explanation(s). For your protection you must date and sign each
page of this disclosure statement and each attachment. Delivery of the
disclosure statement must occur not later than ((. . .)) five business
days ((or five days if not filled in) of), unless otherwise agreed,
after mutual acceptance of a written contract to purchase between a
buyer and a seller.

NOTICE TO THE BUYER
THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER(S), CONCERNING THE
CONDITION OF THE PROPERTY LOCATED AT ................
("THE PROPERTY"), OR AS LEGALLY DESCRIBED ON ATTACHED EXHIBIT A.

DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE
BASIS OF SELLER’S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME THIS
DISCLOSURE FORM IS COMPLETED BY THE SELLER. YOU HAVE ((. . .)) THREE
BUSINESS DAYS, ((OR THREE BUSINESS DAYS IF NOT FILLED IN)) UNLESS
OTHERWISE AGREED, FROM THE SELLER’S DELIVERY OF THIS SELLER’S
DISCLOSURE STATEMENT TO ((REVOKE YOUR OFFER)) RESCIND YOUR AGREEMENT BY
DELIVERING YOUR SEPARATE SIGNED WRITTEN STATEMENT OF (REVOCATION)
RESCISSION TO THE SELLER, UNLESS YOU WAIVE THIS RIGHT AT OR PRIOR TO
ENTERING INTO A SALE AGREEMENT. THE FOLLOWING ARE DISCLOSURES MADE BY
THE SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE
OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT
INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN THE BUYER AND
THE SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS
PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF A
QUALIFIED SPECIALIST TO INSPECT THE PROPERTY ON YOUR BEHALF, FOR
EXAMPLE, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS,
ROOFERS, BUILDING INSPECTORS, OR PEST AND DRY ROT INSPECTORS. THE
PROSPECTIVE BUYER AND THE OWNER MAY WISH TO OBTAIN PROFESSIONAL ADVICE
OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE
PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE,
INSPECTION, DEFECTS OR WARRANTIES.

Seller . . . is/ . . . . is not occupying the property.

I. SELLER’S DISCLOSURES:

*If "Yes" attach a copy or explain. If necessary use an attached sheet.

1. TITLE

[ ]Yes [ ]No [ ]Don’t know

A. Do you have legal authority to sell
the property?

[ ]Yes [ ]No [ ]Don’t know

*B. Is title to the property subject to
any of the following?

(1) First right of refusal
(2) Option
(3) Lease or rental agreement
(4) Life estate?

[ ]Yes [ ]No [ ]Don’t know

*C. Are there any encroachments,
boundary agreements, or boundary
disputes?

[ ]Yes [ ]No [ ]Don’t know

*D. Are there any rights of way,
easements, or access limitations that
may affect the owner’s use of the
property?
*E. Are there any written agreements for joint maintenance of an easement or right of way?

*F. Is there any study, survey project, or notice that would adversely affect the property?

*G. Are there any pending or existing assessments against the property?

*H. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the subject property that would affect future construction or remodeling?

*I. Is there a boundary survey for the property?

*J. Are there any covenants, conditions, or restrictions which affect the property?

2. WATER

A. Household Water

(1) The source of the water is

[ ] Public [ ] Community [ ] Private
[ ] Shared

(2) Water source information:

*a. Are there any written agreements for shared water source?

*b. Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source?

*c. Are any known problems or repairs needed?

*d. Does the source provide an adequate year round supply of potable water?
B. Irrigation

(1) Are there any water rights for the property?

*(2) If they exist, to your knowledge, have the water rights been used during the last five-year period?

*(3) If so, is the certificate available?

C. Outdoor Sprinkler System

(1) Is there an outdoor sprinkler system for the property?

*(2) Are there any defects in the outdoor sprinkler system?

3. SEWER/SEPTIC SYSTEM

A. The property is served by:

[ ] Public sewer main, [ ] Septic tank system [ ] Other disposal system (describe)

B. If the property is served by a public or community sewer main, is the house connected to the main?

C. Is the property currently subject to a sewer capacity charge?

D. If the property is connected to a septic system:

(1) Was a permit issued for its construction, and was it approved by the city or county following its construction?

(2) When was it last pumped: ..........., 19...

*(3) Are there any defects in the operation of the septic system?

(4) When was it last inspected?
By Whom: ................

[ ] Don’t know (5) How many bedrooms was the system approved for?

.................. bedrooms

[ ] Yes [ ] No [ ] Don’t know *((B)) E. Do all plumbing fixtures, including laundry drain, go to the septic/sewer system? If no, explain:

..................

[ ] Yes [ ] No [ ] Don’t know *((E)) F. Are you aware of any changes or repairs to the septic system?

[ ] Yes [ ] No [ ] Don’t know ((F)) G. Is the septic tank system, including the drainfield, located entirely within the boundaries of the property?

4. STRUCTURAL

[ ] Yes [ ] No [ ] Don’t know *A. Has the roof leaked?

[ ] Yes [ ] No [ ] Don’t know If yes, has it been repaired?

[ ] Yes [ ] No [ ] Don’t know *B. Have there been any conversions, additions, or remodeling?

[ ] Yes [ ] No [ ] Don’t know *1. If yes, were all building permits obtained?

[ ] Yes [ ] No [ ] Don’t know *2. If yes, were all final inspections obtained?

[ ] Yes [ ] No [ ] Don’t know C. Do you know the age of the house? If yes, year of original construction:

..................

[ ] Yes [ ] No [ ] Don’t know *D. Do you know of any settling, slippage, or sliding of the house or other improvements? If yes, explain:

..................

[ ] Yes [ ] No [ ] Don’t know *E. Do you know of any defects with the following: (Please check applicable items)

| Foundations | | Deck | | Exterior Walls |
| Chimneys | | Interior Walls | | Fire Alarm |
| Doors | | Windows | | Patio |
| Ceilings | | Slab Floors | | Driveways |

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Pools  |  Hot Tub  |  Sauna
Sidewalks  |  Outbuildings  |  Fireplaces
Garage Floors  |  Walkways
Other  |  Wood Stoves

[F] Yes [ ] No [ ] Don’t know  *F. Was a pest or dry rot, structural or "whole house" inspection done? When and by whom was the inspection completed? ..............

[F] Yes [ ] No [ ] Don’t know  *G. Since assuming ownership, has your property had a problem with wood destroying organisms and/or have there been any problems with pest control, infestations, or vermin?

5. SYSTEMS AND FIXTURES

If the following systems or fixtures are included with the transfer, do they have any existing defects:

[F] Yes [ ] No [ ] Don’t know  *A. Electrical system, including wiring, switches, outlets, and service

[F] Yes [ ] No [ ] Don’t know  *B. Plumbing system, including pipes, faucets, fixtures, and toilets

[F] Yes [ ] No [ ] Don’t know  *C. Hot water tank

[F] Yes [ ] No [ ] Don’t know  *D. Garbage disposal

[F] Yes [ ] No [ ] Don’t know  *E. Appliances

[F] Yes [ ] No [ ] Don’t know  *F. Sump pump

[F] Yes [ ] No [ ] Don’t know  *G. Heating and cooling systems

[F] Yes [ ] No [ ] Don’t know  *H. Security system [ ] Owned [ ] Leased

*I. Other ..............

6. COMMON INTEREST

[F] Yes [ ] No [ ] Don’t know  A. Is there a Home Owners’ Association? Name of Association ..............

[F] Yes [ ] No [ ] Don’t know  B. Are there regular periodic assessments: $ ............ per [ ] Month [ ] Year

[F] Yes [ ] No [ ] Don’t know  [ ] Other ..............
1  [ ]Yes [ ]No [ ]Don’t know  *C. Are there any pending special assessments?
2  [ ]Yes [ ]No [ ]Don’t know  *D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)?

7. GENERAL

10 [ ]Yes [ ]No [ ]Don’t know  *A. Is there any settling, soil, standing water, or drainage problems on the property?
11 [ ]Yes [ ]No [ ]Don’t know  *B. Does the property contain fill material?
12 [ ]Yes [ ]No [ ]Don’t know  *C. Is there any material damage to the property or any of the structure from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?
13 [ ]Yes [ ]No [ ]Don’t know  D. Is the property in a designated flood plain?
14 (([ ]Yes [ ]No [ ]Don’t know  E. Is the property in a designated flood hazard zone?))
15 [ ]Yes [ ]No [ ]Don’t know  (([ ]Yes [ ]No [ ]Don’t know  *E. Are there any substances, materials, or products that may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the subject property?
16 [ ]Yes [ ]No [ ]Don’t know  (([ ]Yes [ ]No [ ]Don’t know  *F. Are there any tanks or underground storage tanks (e.g., chemical, fuel, etc.) on the property?
17 [ ]Yes [ ]No [ ]Don’t know  (([ ]Yes [ ]No [ ]Don’t know  *G. Has the property ever been used as an illegal drug manufacturing site?

8. FULL DISCLOSURE BY SELLERS
A. Other conditions or defects:

*Are there any other material defects affecting this property or its value that a prospective buyer should know about?

B. Verification:

The foregoing answers and attached explanations (if any) are complete and correct to the best of my/our knowledge and I/we have received a copy hereof. I/we authorize all of my/our real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.

DATE . . . . . . . SELLER . . . . . . . . . . . . . . SELLER . . . . . . . . . . . . . . .

II. BUYER’S ACKNOWLEDGMENT

A. As buyer(s), I/we acknowledge the duty to pay diligent attention to any material defects which are known to me/us or can be known to me/us by utilizing diligent attention and observation.

B. Each buyer acknowledges and understands that the disclosures set forth in this statement and in any amendments to this statement are made only by the seller.

C. Buyer (which term includes all persons signing the "buyer’s acceptance" portion of this disclosure statement below) hereby acknowledges receipt of a copy of this disclosure statement (including attachments, if any) bearing seller’s signature.

DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE BASIS OF SELLER’S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME OF DISCLOSURE. YOU, THE BUYER, HAVE ((__________)) THREE BUSINESS DAYS ((OR THREE BUSINESS DAYS IF NOT FILLED IN)), UNLESS OTHERWISE AGREED, FROM THE SELLER’S DELIVERY OF THIS SELLER’S DISCLOSURE STATEMENT TO ((REVOKE YOUR OFFER)) RESCIND YOUR AGREEMENT BY DELIVERING YOUR SEPARATE SIGNED
WRITTEN STATEMENT OF ((REVOCATION)) RESCISSION TO THE SELLER UNLESS YOU WAIVE THIS RIGHT OF ((REVOCATION)) RESCISSION.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS REAL PROPERTY TRANSFER DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

DATE . . . . . . . . BUYER . . . . . . . . . . . . . . BUYER . . . . . . . . . . . . . . . . . .

(2) The real property transfer disclosure statement shall be for disclosure only, and shall not be considered part of any written agreement between the buyer and seller of residential real property. The real property transfer disclosure statement shall be only a disclosure made by the seller, and not any real estate licensee involved in the transaction, and shall not be construed as a warranty of any kind by the seller or any real estate licensee involved in the transaction.

Sec. 3. RCW 64.06.030 and 1994 c 200 s 4 are each amended to read as follows:

Unless the buyer has expressly waived the right to receive the disclosure statement, ((within)) not later than five business days or as otherwise agreed to, ((of)) after mutual acceptance of a written agreement between a buyer and a seller for the purchase and sale of residential real property, the seller shall deliver to the buyer a completed, signed, and dated real property transfer disclosure statement. Within three business days, or as otherwise agreed to, of receipt of the real property transfer disclosure statement, the buyer shall have the right to exercise one of the following two options: (1) Approving and accepting the real property transfer disclosure statement; or (2) rescinding the agreement for the purchase and sale of the property, which decision may be made by the buyer in the buyer’s sole discretion. If the buyer elects to rescind the agreement, the buyer must deliver written notice of rescission to the seller within the three-business-day period, or as otherwise agreed to, and upon delivery of the written rescission notice the buyer shall be entitled to immediate return of all deposits and other considerations less any agreed disbursements paid to the seller, or to the seller’s agent or an escrow agent for the seller’s account, and the agreement for purchase and sale shall be void. If the buyer does not deliver a written rescission notice to [the] seller within the three-business-day period,
or as otherwise agreed to, the real property transfer disclosure statement will be deemed approved and accepted by the buyer.

Sec. 4. RCW 64.06.040 and 1994 c 200 s 5 are each amended to read as follows:

(1) If, after the date that a seller of residential real property completes a real property transfer disclosure statement, the seller becomes aware of additional information, or an adverse change occurs which makes any of the disclosures made inaccurate, the seller shall amend the real property transfer disclosure statement, and deliver the amendment to the buyer. No amendment shall be required, however, if the seller takes whatever corrective action is necessary so that the accuracy of the disclosure is restored, or the adverse change is corrected, at least three business days prior to the closing date. Unless the corrective action is completed by the seller prior to the closing date, the buyer shall have the right to exercise one of the following two options: (a) Approving and accepting the amendment, or (b) rescinding the agreement of purchase and sale of the property within three business days after receiving the amended real property transfer disclosure statement. Acceptance or recision shall be subject to the same procedures described in RCW 64.06.030. If the closing date provided in the purchase and sale agreement is scheduled to occur within the three-business-day rescission period provided for in this section, the closing date shall be extended until the expiration of the three-business-day rescission period. The buyer shall have no right of recission if the seller takes whatever action is necessary so that the accuracy of the disclosure is restored at least three business days prior to the closing date.

(2) In the event any act, occurrence, or agreement arising or becoming known after the closing of a residential real property transfer causes a real property transfer disclosure statement to be inaccurate in any way, the seller of such property shall have no obligation to amend the disclosure statement, and the buyer shall not have the right to rescind the transaction under this chapter.

(3) If the seller in a residential real property transfer fails or refuses to provide to the prospective buyer a real property transfer disclosure statement as required under this chapter, the prospective buyer’s right of rescission under this section shall apply until the
earlier of three business days after receipt of the real property transfer disclosure statement or the date the transfer has closed, unless the buyer has otherwise waived the right of rescission in writing. Closing is deemed to occur when the buyer has paid the purchase price, or down payment, and the conveyance document, including a deed or real estate contract, from the seller has been delivered and recorded. After closing, the seller’s obligation to deliver the real property transfer disclosure statement and the buyer’s rights and remedies under this chapter shall terminate.

Sec. 5. RCW 64.06.050 and 1994 c 200 s 6 are each amended to read as follows:

(1) The seller of residential real property shall not be liable for any error, inaccuracy, or omission in the real property transfer disclosure statement if the seller had no ((personal)) actual knowledge of the error, inaccuracy, or omission. Unless the seller of residential real property has actual knowledge of an error, inaccuracy, or omission in a real property transfer disclosure statement, the seller shall not be liable for such error, inaccuracy, or omission if the disclosure was based on information provided by public agencies, or by other persons providing information within the scope of their professional license or expertise, including, but not limited to, a report or opinion delivered by a land surveyor, title company, title insurance company, structural inspector, pest inspector, licensed engineer, or contractor.

(2) Any licensed real estate salesperson or broker involved in a residential real property transaction is not liable for any error, inaccuracy, or omission in the real property transfer disclosure statement if the licensee had no ((personal)) actual knowledge of the error, inaccuracy, or omission. Unless the salesperson or broker has actual knowledge of an error, inaccuracy, or omission in a real property transfer disclosure statement, the salesperson or broker shall not be liable for such error, inaccuracy, or omission if the disclosure was based on information provided by public agencies, or by other persons providing information within the scope of their professional license or expertise, including, but not limited to, a report or opinion delivered by a land surveyor, title company, title insurance company, structural inspector, pest inspector, licensed engineer, or contractor.
Sec. 6. RCW 64.06.070 and 1994 c 200 s 8 are each amended to read as follows:

Except as provided in RCW 64.06.050, nothing in this chapter shall extinguish or impair any rights or remedies of a buyer of real estate against the seller or against any agent acting for the seller otherwise existing pursuant to common law, statute, or contract; nor shall anything in this chapter create any new right or remedy for a buyer of residential real property other than the right of recision exercised on the basis and within the time limits provided in this chapter.

NEW SECTION. Sec. 7. Section 2 of this act shall take effect January 1, 1996.