

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE SENATE BILL 5053

54th Legislature
1996 Regular Session

Passed by the Senate March 7, 1996
YEAS 26 NAYS 23

President of the Senate

Passed by the House February 27, 1996
YEAS 86 NAYS 12

**Speaker of the
House of Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE SENATE BILL 5053** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SECOND SUBSTITUTE SENATE BILL 5053

AS AMENDED BY THE HOUSE

Passed Legislature - 1996 Regular Session

State of Washington 54th Legislature 1996 Regular Session

By Senate Committee on Government Operations (originally sponsored by
Senators Haugen and Winsley)

Read first time 01/31/96.

1 AN ACT Relating to real estate disclosure; amending RCW 64.06.010,
2 64.06.020, 64.06.030, 64.06.040, 64.06.050, and 64.06.070; and
3 providing an effective date.

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

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

7 (1) Except as provided in subsection (2) of this section, this
8 chapter does not apply to the following transfers of residential real
9 property:

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

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

16 ~~((3))~~ (c) A transfer between spouses in connection with a marital
17 dissolution;

18 ~~((4))~~ (d) A transfer where a buyer had an ownership interest in
19 the property within two years of the date of the transfer including,

1 but not limited to, an ownership interest as a partner in a
2 partnership, a limited partner in a limited partnership, a shareholder
3 in a corporation, a leasehold interest, or transfers to and from a
4 facilitator pursuant to a tax deferred exchange;

5 ~~((5))~~ (e) A transfer of an interest that is less than fee simple,
6 except that the transfer of a vendee's interest under a real estate
7 contract is subject to the requirements of this chapter; ~~((and~~

8 ~~(6))~~ (f) A transfer made by the personal representative of the
9 estate of the decedent or by a trustee in bankruptcy; and

10 (g) A transfer of new residential construction, if the seller is
11 registered under chapter 18.27 RCW, and if the buyer is the first
12 purchaser and occupant.

13 (2) This chapter shall apply to transfers of residential real
14 property exempt under this section, if the seller provides to the buyer
15 a completed real property transfer disclosure statement in the form
16 described in RCW 64.06.020(1).

17 **Sec. 2.** RCW 64.06.020 and 1994 c 200 s 3 are each amended to read
18 as follows:

19 (1) In a transaction for the sale of residential real property, the
20 seller shall, unless the buyer has expressly waived the right to
21 receive the disclosure statement, or unless the transfer is exempt
22 under RCW 64.06.010, deliver to the buyer a completed real property
23 transfer disclosure statement in the following ~~((form))~~ format and that
24 contains, at a minimum, the following information:

25 INSTRUCTIONS TO THE SELLER

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

36 NOTICE TO THE BUYER

37 THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER(S), CONCERNING THE
38 CONDITION OF THE PROPERTY LOCATED AT

1 ("THE PROPERTY"), OR AS LEGALLY DESCRIBED ON ATTACHED EXHIBIT A.

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

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

24 Seller is/ is not occupying the property.

25 **I. SELLER'S DISCLOSURES:**

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

28 **1. TITLE**

- 29 []Yes []No []Don't know A. Do you have legal authority to sell
- 30 the property?
- 31 []Yes []No []Don't know *B. Is title to the property subject to
- 32 any of the following?
- 33 (1) First right of refusal
- 34 (2) Option
- 35 (3) Lease or rental agreement
- 36 (4) Life estate?

1 []Yes []No []Don't know *C. Are there any encroachments,
2 boundary agreements, or boundary
3 disputes?
4 []Yes []No []Don't know *D. Are there any rights of way,
5 easements, or access limitations that
6 may affect the owner's use of the
7 property?
8 []Yes []No []Don't know *E. Are there any written agreements
9 for joint maintenance of an easement or
10 right of way?
11 []Yes []No []Don't know *F. Is there any study, survey project,
12 or notice that would adversely affect
13 the property?
14 []Yes []No []Don't know *G. Are there any pending or existing
15 assessments against the property?
16 []Yes []No []Don't know *H. Are there any zoning violations,
17 nonconforming uses, or any unusual
18 restrictions on the subject property
19 that would affect future construction
20 or remodeling?
21 []Yes []No []Don't know *I. Is there a boundary survey for the
22 property?
23 []Yes []No []Don't know *J. Are there any covenants,
24 conditions, or restrictions which
25 affect the property?

26 **2. WATER**

27 A. Household Water
28 (1) The source of the water is
29 []Public []Community []Private
30 []Shared
31 (2) Water source information:
32 []Yes []No []Don't know *a. Are there any written
33 agreements for shared water
34 source?
35 []Yes []No []Don't know *b. Is there an easement
36 (recorded or unrecorded) for
37 access to and/or maintenance
38 of the water source?

1 []Yes []No []Don't know

*c. Are any known problems or repairs needed?

2

3 []Yes []No []Don't know

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

4

5

6 []Yes []No []Don't know

*(3) Are there any water treatment systems for the property? []Leased []Owned

7

8

9

B. Irrigation

10 []Yes []No []Don't know

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

11

12 []Yes []No []Don't know

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

13

14

15

16 []Yes []No []Don't know

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

17

18

C. Outdoor Sprinkler System

19 []Yes []No []Don't know

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

20

21 []Yes []No []Don't know

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

22

23

3. SEWER/SEPTIC SYSTEM

24

A. The property is served by: []Public sewer main, []Septic tank system []Other disposal system (describe)

25

26

27

28

29 []Yes []No []Don't know

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

30

31

32

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

33

34

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

35

36 []Yes []No []Don't know

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

37

38

39

1 (2) When was it last pumped:
2 , 19. . .
3 []Yes []No []Don't know *(3) Are there any defects in the
4 operation of the septic system?
5 []Don't know (4) When was it last inspected?
6 , 19. . .
7 By Whom:
8 []Don't know (5) How many bedrooms was the
9 system approved for?
10 bedrooms
11 []Yes []No []Don't know *((D)) E. Do all plumbing fixtures,
12 including laundry drain, go to the
13 septic/sewer system? If no, explain:
14
15 []Yes []No []Don't know *((E)) F. Are you aware of any changes
16 or repairs to the septic system?
17 []Yes []No []Don't know ((F)) G. Is the septic tank system,
18 including the drainfield, located
19 entirely within the boundaries of the
20 property?

21 **4. STRUCTURAL**

22 []Yes []No []Don't know *A. Has the roof leaked?
23 []Yes []No []Don't know If yes, has it been repaired?
24 []Yes []No []Don't know *B. Have there been any conversions,
25 additions, or remodeling?
26 []Yes []No []Don't know *1. If yes, were all building
27 permits obtained?
28 []Yes []No []Don't know *2. If yes, were all final
29 inspections obtained?
30 []Yes []No []Don't know C. Do you know the age of the house?
31 If yes, year of original construction:
32
33 []Yes []No []Don't know *D. Do you know of any settling,
34 slippage, or sliding of either the
35 house or other structures/improvements
36 located on the property? If yes,
37 explain:
38

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

- | | | | |
|----|--|---|---|
| 4 | <input type="checkbox"/> Foundations | <input type="checkbox"/> Decks | <input type="checkbox"/> Exterior Walls |
| 5 | <input type="checkbox"/> Chimneys | <input type="checkbox"/> Interior Walls | <input type="checkbox"/> Fire Alarm |
| 6 | <input type="checkbox"/> Doors | <input type="checkbox"/> Windows | <input type="checkbox"/> Patio |
| 7 | <input type="checkbox"/> Ceilings | <input type="checkbox"/> Slab Floors | <input type="checkbox"/> Driveways |
| 8 | <input type="checkbox"/> Pools | <input type="checkbox"/> Hot Tub | <input type="checkbox"/> Sauna |
| 9 | <input type="checkbox"/> Sidewalks | <input type="checkbox"/> Outbuildings | <input type="checkbox"/> Fireplaces |
| 10 | <input type="checkbox"/> Garage Floors | | <input type="checkbox"/> Walkways |
| 11 | <input type="checkbox"/> Other | | <input type="checkbox"/> Wood Stoves |

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

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

21 **5. SYSTEMS AND FIXTURES**

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

25 []Yes []No []Don't know *A. Electrical system, including
26 wiring, switches, outlets, and service

27 []Yes []No []Don't know *B. Plumbing system, including pipes,
28 faucets, fixtures, and toilets

29 []Yes []No []Don't know *C. Hot water tank

30 []Yes []No []Don't know *D. Garbage disposal

31 []Yes []No []Don't know *E. Appliances

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

33 []Yes []No []Don't know *G. Heating and cooling systems

34 []Yes []No []Don't know *H. Security system [] Owned []
35 Leased

36 *I. Other

37 **6. COMMON INTEREST**

1 []Yes []No []Don't know A. Is there a Home Owners' Association?
 2 Name of Association
 3 []Yes []No []Don't know B. Are there regular periodic
 4 assessments:
 5 \$ per [] Month [] Year
 6 [] Other
 7 []Yes []No []Don't know *C. Are there any pending special
 8 assessments?
 9 []Yes []No []Don't know *D. Are there any shared "common areas"
 10 or any joint maintenance agreements
 11 (facilities such as walls, fences,
 12 landscaping, pools, tennis courts,
 13 walkways, or other areas co-owned in
 14 undivided interest with others)?

15 **7. GENERAL**

16 []Yes []No []Don't know *A. Is there any settling, soil,
 17 standing water, or drainage problems on
 18 the property?
 19 []Yes []No []Don't know *B. Does the property contain fill
 20 material?
 21 []Yes []No []Don't know *C. Is there any material damage to the
 22 property or any of the structure from
 23 fire, wind, floods, beach movements,
 24 earthquake, expansive soils, or
 25 landslides?
 26 []Yes []No []Don't know D. Is the property in a designated
 27 flood plain?
 28 (~~[]Yes []No []Don't know E. Is the property in a designated~~
 29 ~~flood hazard zone?))
 30 []Yes []No []Don't know ((~~*F.~~)) *E. Are there any substances,
 31 materials, or products that may be an
 32 environmental hazard such as, but not
 33 limited to, asbestos, formaldehyde,
 34 radon gas, lead-based paint, fuel or
 35 chemical storage tanks, and
 36 contaminated soil or water on the
 37 subject property?~~

1 []Yes []No []Don't know ((*G-)) *F. Are there any tanks or
2 underground storage tanks (e.g.,
3 chemical, fuel, etc.) on the property?
4 []Yes []No []Don't know ((*H-)) *G. Has the property ever been
5 used as an illegal drug manufacturing
6 site?

7 **8. FULL DISCLOSURE BY SELLERS**

8 A. Other conditions or defects:

9 []Yes []No []Don't know *Are there any other material defects
10 affecting this property or its value
11 that a prospective buyer should know
12 about?

13 B. Verification:

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

23 DATE SELLER SELLER

24 **II. BUYER'S ACKNOWLEDGMENT**

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

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

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

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

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

13 DATE BUYER BUYER

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

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

24 Unless the buyer has expressly waived the right to receive the
25 disclosure statement, (~~(within))~~ not later than five business days or
26 as otherwise agreed to, (~~(of))~~ after mutual acceptance of a written
27 agreement between a buyer and a seller for the purchase and sale of
28 residential real property, the seller shall deliver to the buyer a
29 completed, signed, and dated real property transfer disclosure
30 statement. Within three business days, or as otherwise agreed to, of
31 receipt of the real property transfer disclosure statement, the buyer
32 shall have the right to exercise one of the following two options: (1)
33 Approving and accepting the real property transfer disclosure
34 statement; or (2) rescinding the agreement for the purchase and sale of
35 the property, which decision may be made by the buyer in the buyer's
36 sole discretion. If the buyer elects to rescind the agreement, the
37 buyer must deliver written notice of rescission to the seller within
38 the three-business-day period, or as otherwise agreed to, and upon

1 delivery of the written rescission notice the buyer shall be entitled
2 to immediate return of all deposits and other considerations less any
3 agreed disbursements paid to the seller, or to the seller's agent or an
4 escrow agent for the seller's account, and the agreement for purchase
5 and sale shall be void. If the buyer does not deliver a written
6 rescission notice to [the] seller within the three-business-day period,
7 or as otherwise agreed to, the real property transfer disclosure
8 statement will be deemed approved and accepted by the buyer.

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

11 (1) If, after the date that a seller of residential real property
12 completes a real property transfer disclosure statement, the seller
13 becomes aware of additional information, or an adverse change occurs
14 which makes any of the disclosures made inaccurate, the seller shall
15 amend the real property transfer disclosure statement, and deliver the
16 amendment to the buyer. No amendment shall be required, however, if
17 the seller takes whatever corrective action is necessary so that the
18 accuracy of the disclosure is restored, or the adverse change is
19 corrected, at least three business days prior to the closing date.
20 Unless the ((~~adverse change is corrected or repaired~~)) corrective
21 action is completed by the seller prior to the closing date, the buyer
22 shall have the right to exercise one of the following two options: (a)
23 Approving and accepting the amendment, or (b) rescinding the agreement
24 of purchase and sale of the property within three business days after
25 receiving the amended real property transfer disclosure statement.
26 Acceptance or rescission shall be subject to the same procedures
27 described in RCW 64.06.030. If the closing date provided in the
28 purchase and sale agreement is scheduled to occur within the three-
29 business-day rescission period provided for in this section, the
30 closing date shall be extended until the expiration of the three-
31 business-day rescission period. The buyer shall have no right of
32 rescission if the seller takes whatever action is necessary so that the
33 accuracy of the disclosure is restored at least three business days
34 prior to the closing date.

35 (2) In the event any act, occurrence, or agreement arising or
36 becoming known after the closing of a residential real property
37 transfer causes a real property transfer disclosure statement to be
38 inaccurate in any way, the seller of such property shall have no

1 obligation to amend the disclosure statement, and the buyer shall not
2 have the right to rescind the transaction under this chapter.

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

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

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

31 (2) Any licensed real estate salesperson or broker involved in a
32 residential real property transaction is not liable for any error,
33 inaccuracy, or omission in the real property transfer disclosure
34 statement if the licensee had no (~~personal~~) actual knowledge of the
35 error, inaccuracy, or omission. Unless the salesperson or broker has
36 actual knowledge of an error, inaccuracy, or omission in a real
37 property transfer disclosure statement, the salesperson or broker shall
38 not be liable for such error, inaccuracy, or omission if the disclosure

1 was based on information provided by public agencies, or by other
2 persons providing information within the scope of their professional
3 license or expertise, including, but not limited to, a report or
4 opinion delivered by a land surveyor, title company, title insurance
5 company, structural inspector, pest inspector, licensed engineer, or
6 contractor.

7 **Sec. 6.** RCW 64.06.070 and 1994 c 200 s 8 are each amended to read
8 as follows:

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

16 NEW SECTION. **Sec. 7.** Section 2 of this act shall take effect July
17 1, 1996.

--- END ---