

SENATE BILL REPORT

SB 5839

As Reported By Senate Committee On:
State & Local Government, February 22, 1999

Title: An act relating to accurate seller's real estate disclosures concerning title, water, sewer or septic, and structural or physical condition.

Brief Description: Making seller's real estate disclosures more accurate.

Sponsors: Senators Patterson and Horn.

Brief History:

Committee Activity: State & Local Government: 2/15/99, 2/22/99 [DPS].

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Majority Report: That Substitute Senate Bill No. 5839 be substituted therefor, and the substitute bill do pass.

Signed by Senators Patterson, Chair; Gardner, Vice Chair; Haugen, Horn, Kline and McCaslin.

Staff: Diane Smith (786-7410)

Background: When residential real property is sold, in most cases, the seller must deliver to the buyer a completed real property transfer disclosure statement in the format required by statute. In the form, the seller answers questions to the best of his or her knowledge based on the seller's actual knowledge at the time the form is completed.

There are eight sections of seller's disclosures which ask a total of about 62 questions.

The buyer has three business days after receiving the disclosure form to rescind the agreement to buy the property.

Summary of Bill: A phrase that includes unrecorded liens or written financial agreements that could result in a debt payable by the buyer is added to the question about assessments on the property in the seller's disclosure statement. Questions are added to disclose whether all contractors, suppliers and laborers have been paid and to disclose water quality information. Three existing questions have been edited to clarify legalistic language.

Substitute Bill Compared to Original Bill: The substitute bill clarifies that the objective of the question is to disclose written agreements that could cost the buyer money.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill helps buyers of residential real estate by helping the sellers better understand the items that need to be disclosed.

Testimony Against: None.

Testified: G. Hudson, Realtors (pro); Judy Turpin, Washington Environmental Council (pro).