
Commerce & Labor Committee

HB 1634

Brief Description: Changing the residential property seller disclosure statement.

Sponsors: Representatives Conway, Chandler, Kenney, Berkey, Wood, Holmquist, Crouse, Tom, Edwards and Rockefeller.

Brief Summary of Bill

- Revises the Real Property Transfer Disclosure Statement in areas relating to water, irrigation, septic systems, leased systems, structural deficiencies, and new and manufactured homes.
- Makes changes to the form to improve readability.

Hearing Date: 2/19/03

Staff: Matt Cooper (786-7106).

Background:

Sellers of residential real property must provide the buyer with a disclosure statement concerning their property unless the buyer waives the right to receive it. This disclosure requirement applies only to residential real property transfers. "Residential real property" means:

- real property with one to four dwelling units;
- residential condominiums and timeshares (except when subject to other disclosure laws); and
- mobile or manufactured homes that are personal property.

Sellers must disclose all known information concerning the property that is the subject of the sale. The statute specifies the form that must be used for the disclosure. The seller checks "yes" or "no" to questions and may explain some answers concerning the condition of the property at the time the form is completed. The disclosures pertain to:

- title;
- water;

- sewer/septic system;
- structural (roof, additions, remodeling, including information about defects in various amenities such as wood stoves and fireplaces);
- systems and fixtures (electrical, plumbing, heating and cooling, etc.);
- common interest (homeowners' association and/or assessments); and
- general (settling, soil or water problems, previous damage, hazardous materials).

If the seller fails to provide a disclosure as required, the buyer may rescind the transaction at any time up until the transfer has closed. If the disclosure statement is delivered late, the right of the buyer to rescind the agreement to buy expires three days after receipt of a late delivered disclosure statement.

The seller and any real estate licensee involved in the transaction are not liable for any error, inaccuracy, or omission in the required disclosure if they had no actual knowledge of the mistake. The disclosure law, however, does not waive any rights or remedies of the buyer under common law, statute, or contract.

Summary of Bill:

The Real Property Transfer Disclosure Statement (Statement) is revised for readability, to require certain additional disclosures and to delete certain disclosures currently required. Internal references to the Statement are changed to "Seller Disclosure Statement."

There are numerous changes to the wording of the Statement to make it easier to read and understand.

Information on the following must be disclosed:

- the ownership of the well or water system;
- the source of the water for any irrigation systems;
- any sewer costs beyond regular monthly bills;
- any defects in the siding;
- any leased equipment or systems, such as a security system or satellite dish; and
- any alterations made to a manufactured home.

Information on the following is no longer required to be disclosed:

- the age of the house and date of original construction;
- if any prior home inspections have been conducted; and
- any problems with settling, soil or standing water on the property.

Disclosures are limited to the current owner's period of ownership.

The seller of a new home that has not been occupied does not have to complete the section of the disclosure statement concerning structural information.

An acknowledgment is added that real estate licensees are not responsible for any inaccuracies in the disclosure statement and that the disclosure statement is not intended to be

included as a part of the written agreement between the parties.

Rules Authority: The bill does not address the rule-making power of an agency.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect ninety days after adjournment of session in which bill is passed.