~ 4004 ~			
S-4764.3			
D 1/01.0			

## SUBSTITUTE SENATE BILL 6283

State of Washington 53rd Legislature 1994 Regular Session

By Senate Committee on Government Operations (originally sponsored by Senators Haugen, Winsley, Spanel, Quigley, Drew, Erwin, Fraser and Ludwig)

Read first time 02/04/94.

- 1 AN ACT Relating to real estate disclosures; and adding a new
- 2 chapter to Title 64 RCW.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 NEW SECTION. Sec. 1. This chapter applies only to residential
- 5 real property. For purposes of this chapter, residential real property
- 6 means:
- 7 (1) Real property consisting of, or improved by, one to four
- 8 dwelling units;
- 9 (2) A residential condominium as defined in RCW 64.34.020(9),
- 10 unless the sale is subject to the public offering statement requirement
- 11 in the Washington condominium act, chapter 64.34 RCW; and
- 12 (3) A residential timeshare, as defined in RCW 64.36.010(11),
- 13 unless subject to written disclosure under the Washington timeshare
- 14 act, chapter 64.36 RCW.
- 15 <u>NEW SECTION.</u> **Sec. 2.** This chapter does not apply to the following
- 16 transfers of residential real property:

p. 1 SSB 6283

- 1 (1) A foreclosure, deed-in-lieu of foreclosure, or a sale by a 2 lienholder who acquired the residential real property through 3 foreclosure or deed-in-lieu of foreclosure;
  - (2) A gift or other transfer to a family member;
- 5 (3) A transfer between spouses in connection with a marital 6 dissolution;
- 7 (4) A transfer where a buyer had an ownership interest in the 8 property within two years of the date of the transfer; and
- 9 (5) The granting of a lien encumbering the property.
- 10 <u>NEW SECTION.</u> **Sec. 3.** (1) In a transaction for the sale of
- 11 residential real property, the seller shall, unless the transfer is
- 12 exempt under section 2 of this act, deliver to the buyer a completed
- 13 real property transfer disclosure statement in the following form:
- 14 INSTRUCTIONS TO THE SELLER

4

- 15 Please complete the following form. Do not leave any spaces blank. If
- 16 the question clearly does not apply to the property write "NA". If the
- 17 answer is "yes" to any \* items, please explain on attached sheets.
- 18 Please refer to the line number(s) of the question(s) when you provide
- 19 your explanation(s). For your protection you must date and sign each
- 20 page of this disclosure statement and each attachment. Delivery of the
- 21 disclosure statement must occur not later than . . . days (or five days
- 22 if not filled in) of mutual acceptance of a written contract to
- 23 purchase between a buyer and a seller.
- 24 NOTICE TO THE BUYER
- 25 THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER(S), CONCERNING THE
- 27 ("THE PROPERTY"), LEGALLY DESCRIBED ON ATTACHED EXHIBIT A.
- 28 DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE
- 29 BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME THIS
- 30 DISCLOSURE FORM IS COMPLETED BY THE SELLER. YOU HAVE . . . BUSINESS
- 31 DAYS, OR THREE BUSINESS DAYS IF NOT FILLED IN, FROM THE SELLER'S
- 32 DELIVERY OF THIS SELLER'S DISCLOSURE STATEMENT TO REVOKE YOUR OFFER BY
- 33 DELIVERING YOUR SEPARATE SIGNED WRITTEN STATEMENT OF REVOCATION TO THE
- 34 SELLER, UNLESS YOU WAIVE THIS RIGHT AT OR PRIOR TO ENTERING INTO A SALE
- 35 AGREEMENT. THE FOLLOWING ARE DISCLOSURES MADE BY THE SELLER AND ARE
- 36 NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

- 1 THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A
- 2 PART OF ANY WRITTEN AGREEMENT BETWEEN THE BUYER AND THE SELLER.
- 3 FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS
- 4 PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF A
- 5 QUALIFIED SPECIALIST TO INSPECT THE PROPERTY ON YOUR BEHALF, FOR
- 6 EXAMPLE, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS,
- 7 ROOFERS, BUILDING INSPECTORS, OR PEST AND DRY ROT INSPECTORS. THE
- 8 PROSPECTIVE BUYER AND THE OWNER MAY WISH TO OBTAIN PROFESSIONAL ADVICE
- 9 OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE
- 10 PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE,
- 11 INSPECTION, DEFECTS OR WARRANTIES.
- 12 Seller . . . is/ . . . is not occupying the property.

## 13 I. SELLER'S DISCLOSURES:

- 14 \*If "Yes" attach a copy or explain. If necessary use an attached
- 15 sheet.

31

16	1.	TITLE

- 17 [ ]Yes [ ]No [ ]Don't know A. Do you have legal authority to sell
- 18 the property?
- 19 [ ]Yes [ ]No [ ]Don't know \*B. Is title to the property subject to
- any of the following?
- 21 (1) First right of refusal
- 22 (2) Option
- 23 (3) Lease or rental agreement
- 24 (4) Life estate?
- 25 [ ]Yes [ ]No [ ]Don't know \*C. Are there any encroachments,
- boundary agreements, or boundary
- 27 disputes?
- 28 [ ]Yes [ ]No [ ]Don't know \*D. Are there any rights of way
- 29 easements, or access limitations that
- 30 may affect the owner's use of the

property?

- 00 [ ]-- [ ]-- [ ]- ...]
- 32 [ ]Yes [ ]No [ ]Don't know \*E. Are there any written agreements
- for joint maintenance of an easement or
- 34 right of way?
- 35 [ ]Yes [ ]No [ ]Don't know \*F. Is there any study, survey project,
- or notice that would adversely affect
- 37 the property?

p. 3 SSB 6283

1	[	]Yes [	]No	[	]Don't	know	*G. Are there any pending or existing
2							assessments against the property?
3	[	]Yes [	]No	[	]Don't	know	*H. Are there any zoning violations,
4							nonconforming uses, or any unusual
5							restrictions on the subject property
6							that would affect future construction
7							or remodeling?
8	[	]Yes [	]No	[	]Don't	know	*I. Is there a boundary survey for the
9							property?
10	[	]Yes [	]No	[	]Don't	know	*J. Are there any covenants,
11							conditions, or restrictions which
12							affect the property?
13						2.	WATER
14							A. Household Water
15							(1) The source of the water is
16							[ ]Public [ ]Community [ ]Private
17							[ ]Shared
18							(2) Water source information:
19	Γ	lYes [	lNo	Г	]Don't	know	*a. Are there any written
20	-		•	-	•		agreements for shared water
21							source?
22	Γ	lYes [	lNo	Г	]Don't	know	*b. Is there an easement
23		,100 [	,110	_	12011 0	11110 11	(recorded or unrecorded) for
24							access to and/or maintenance
25							of the water source?
26	Г	lveg [	l No	Г	]Don't	know	*c. Are any known problems or
27		1100 [	1110	L	10011 6	ILIIO W	repairs needed?
28	[	]Yes [	]No	[	]Don't	know	*d. Does the source provide
29							an adequate year round supply
30							of potable water?
31	[	]Yes [	]No	[	]Don't	know	*(3) Are there any water treatment
32							systems for the property?
33							[ ]Leased [ ]Owned
34							B. Irrigation
35	[	]Yes [	]No	[	]Don't	know	(1) Are there any water rights for
36	٠	_					the property?
37	[	]Yes [	]No	[	]Don't	know	*(2) If they exist, to your
38							knowledge, have the water rights

1 2		been used during the last five-
3	[ ]Yes [ ]No [ ]Don't know	<pre>year period? *(3) If so, is the certificate</pre>
4		available?
5		C. Outdoor Sprinkler System
6	[ ]Yes [ ]No [ ]Don't know	(1) Is there an outdoor sprinkler
7		system for the property?
8	[ ]Yes [ ]No [ ]Don't know	*(2) Are there any defects in the
9		outdoor sprinkler system?
10	3.	SEWER/SEPTIC SYSTEM
11		A. The property is served by:
12		[ ]Public sewer main, [ ]Septic tank
13		system [ ]Other disposal system
14		(describe)
15		
16	[ ]Yes [ ]No [ ]Don't know	B. If the property is served by a
17		public or community sewer main, is the
18		house connected to the main?
19		C. If the property is connected to a
20		septic system:
21	[ ]Yes [ ]No [ ]Don't know	(1) Was a permit issued for its
22 23		construction, and was it approved
24		by the city or county following its construction?
25		(2) When was it last pumped:
26		
27	[ ]Yes [ ]No [ ]Don't know	*(3) Are there any defects in the
28	[ ] 1 0 2 [ ] 11 0 [ ] 1 0 1 1 1 1 1 1	operation of the septic system?
29	[ ]Don't know	(4) When was it last inspected?
30	, -	, 19
31		By Whom:
32	[ ]Don't know	(5) How many bedrooms was the
33		system approved for?
34		bedrooms
35	[ ]Yes [ ]No [ ]Don't know	*D. Do all plumbing fixtures, including
36		laundry drain, go to the septic/sewer
37		system? If no, explain:
38	[ ]Yes [ ]No [ ]Don't know	*E. Are you aware of any changes or
39		repairs to the septic system?

p. 5 SSB 6283

1 2 3	[ ]Yes [ ]No [ ]Don't know	F. Is the septic tank system, including the drainfield, located entirely within the boundaries of the property?
4	4	. STRUCTURAL
5	[ ]Yes [ ]No [ ]Don't know	*A. Has the roof leaked?
6	[ ]Yes [ ]No [ ]Don't know	If yes, has it been repaired?
7	[ ]Yes [ ]No [ ]Don't know	*B. Have there been any conversions,
8		additions, or remodeling?
9	[ ]Yes [ ]No [ ]Don't know	*1. If yes, were all building
10		permits obtained?
11	[ ]Yes [ ]No [ ]Don't know	*2. If yes, were all final
12		inspections obtained?
13	[ ]Yes [ ]No [ ]Don't know	C. Do you know the age of the house?
14		If yes, year of original construction:
15		
16	[ ]Yes [ ]No [ ]Don't know	*D. Do you know of any settling,
17		slippage, or sliding of the house or
18		other improvements? If yes, explain:
19		
20	[ ]Yes [ ]No [ ]Don't know	*E. Do you know of any defects with the
21		following: (Please check applicable
22 23	l Foundations l	items)  Decks l Exterior Walls
24	l Chimneys l	Interior Walls 1 Fire Alarm
25	l Doors l	Windows l Patio
26	l Ceilings l	Slab Floors 1 Driveways
27	l Pools l	Hot Tub l Sauna
28	l Sidewalks l	Outbuildings l Fireplaces
29	l Garage Floors	l Walkways
30	l Other	l Wood Stoves
31	[ ]Yes [ ]No [ ]Don't know	*F. Was a pest or dry rot, structural
32		or "whole house" inspection done? When
33		and by whom was the inspection
34	[ ] ] T [ ] ] T	completed?
35	[ ]Yes [ ]No [ ]Don't know	*G. Since assuming ownership, has your
36		property had a problem with wood
37		destroying organisms and/or have there

1								been any problems with pest control,
2								infestations, or vermin?
3							5.	SYSTEMS AND FIXTURES
4								If the following systems or fixtures
5								are included with the transfer, do they
6								have any existing defects:
7	[	]Yes	[	]No	[	]Don't	know	*A. Electrical system, including
8								wiring, switches, outlets, and service
9	[	]Yes	[	]No	[	]Don't	know	*B. Plumbing system, including pipes,
10								faucets, fixtures, and toilets
11	[	]Yes	[	]No	[	]Don't	know	*C. Hot water tank
12	[	]Yes	[	]No	[	]Don't	know	*D. Garbage disposal
13	[	]Yes	[	]No	[	]Don't	know	*E. Appliances
14	[	]Yes	[	]No	[	]Don't	know	*F. Sump pump
15	[	]Yes	[	]No	[	]Don't	know	*G. Heating and cooling systems
16	[	]Yes	[	]No	[	]Don't	know	*H. Security system [ ] Owned [ ]
17								Leased
18								*I. Other
19							6.	COMMON INTEREST
20	[	]Yes	[	]No	[	]Don't	know	A. Is there a Home Owners' Association?
21								Name of Association
22	[	]Yes	[	]No	[	]Don't	know	B. Are there regular periodic
23								assessments:
24								\$ per [ ] Month [ ] Year
25								[ ] Other
26	[	]Yes	[	]No	[	]Don't	know	*C. Are there any pending special
27								assessments?
28	[	]Yes	[	]No	[	]Don't	know	*D. Are there any shared "common areas"
29								or any joint maintenance agreements
30								(facilities such as walls, fences,
31								landscaping, pools, tennis courts,
32								walkways, or other areas co-owned in
33								undivided interest with others)?
34							7.	GENERAL
35	[	]Yes	[	]No	[	]Don't	know	*A. Is there any settling, soil,
36								standing water, or drainage problems on
37								the property?

p. 7 SSB 6283

1 2	[	]Yes [	]No [	]Don't	know	*B. Does the property contain fill material?
3	[	]Yes [	]No [	]Don't	know	*C. Is there any material damage to the
4						property or any of the structure from
5						fire, wind, floods, beach movements,
6						earthquake, expansive soils, or
7						landslides?
8	[	]Yes [	]No [	]Don't	know	D. Is the property in a designated
9						flood plain?
10	[	]Yes [	]No [	]Don't	know	E. Is the property in a designated
11						hazard zone?
12	[	]Yes [	]No [	]Don't	know	*F. Are there any substances,
13						materials, or products that may be an
14						environmental hazard such as, but not
15						limited to, asbestos, formaldehyde,
16						radon gas, lead-based paint, fuel or
17						chemical storage tanks, and
18						contaminated soil or water on the
19						subject property?
20	[	]Yes [	]No [	]Don't	know	*G. Are there any tanks or underground
21						storage tanks (e.g., chemical, fuel,
22						etc.) on the property?
23	[	]Yes [	]No [	]Don't	know	*H. Has the property ever been used as
24						an illegal drug manufacturing site?
25					8. F	ULL DISCLOSURE BY SELLERS
26						A. Other conditions or defects:
27	[	]Yes [	]No [	]Don't	know	*Are there any other material defects
28						affecting this property or its value
29						that a prospective buyer should know
30						about?
31						B. Verification:
32						The foregoing answers and attached
33						explanations (if any) are complete and
34						correct to the best of my/our knowledge
						1 - / 1
35						and I/we have received a copy hereof.
36						and I/we have received a copy hereof.  I/we authorize all of my/our real
						_ <del>_</del> _

1	other real estate licensees and all
2	prospective buyers of the property.
3	DATE SELLER SELLER
4	II. BUYER'S ACKNOWLEDGMENT
5	A. As buyer(s), I/we acknowledge the duty to pay
6	diligent attention to any material defects which
7	are known to me/us or can be known to me/us by
8	utilizing diligent attention and observation.
9	B. Each buyer acknowledges and understands that the
10	disclosures set forth in this statement and in
11	any amendments to this statement are made only by
12	the seller.
13	C. Buyer (which term includes all persons signing
14	the "buyer's acceptance" portion of this
15	disclosure statement below) hereby acknowledges
16	receipt of a copy of this disclosure statement
17	(including attachments, if any) bearing seller's
18	signature.
19	DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE
20	BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME OF
21	DISCLOSURE. YOU, THE BUYER, HAVE BUSINESS DAYS (OR THREE
22	BUSINESS DAYS IF NOT FILLED IN) FROM THE SELLER'S DELIVERY OF THIS
23	SELLER'S DISCLOSURE STATEMENT TO REVOKE YOUR OFFER BY DELIVERING YOUR
24	SEPARATE SIGNED WRITTEN STATEMENT OF REVOCATION TO THE SELLER UNLESS
25	YOU WAIVE THIS RIGHT OF REVOCATION.
26	BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS REAL PROPERTY
27	TRANSFER DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES
28	MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE
29	LICENSEE OR OTHER PARTY.
30	DATE BUYER
31	(2) The real property transfer disclosure statement shall be for
32	disclosure only, and shall not be considered part of any written
33	agreement between the buyer and seller of residential real property.
34	The real property transfer disclosure statement shall be only a
35	disclosure made by the seller, and not any real estate licensee
36	involved in the transaction, and shall not be construed as a warranty
37	of any kind by the seller or any real estate licensee involved in the

37

38

transaction.

p. 9 SSB 6283

NEW SECTION. Sec. 4. Within five business days, or as otherwise 1 2 agreed to, of mutual acceptance of a written agreement between a buyer 3 and a seller for the purchase and sale of residential real property, 4 the seller shall deliver to the buyer a completed, signed, and dated real property transfer disclosure statement. Within three business 5 days, or as otherwise agreed to, of receipt of the real property 6 7 transfer disclosure statement, the buyer shall have the right to 8 exercise one of the following two options: (1) Approving and accepting 9 the real property transfer disclosure statement; or (2) rescinding the 10 agreement for the purchase and sale of the property. elects to rescind the agreement, the buyer must deliver written notice 11 of rescission to the seller within the three-business-day period, or as 12 13 otherwise agreed to, and upon delivery of the written rescission notice the buyer shall be entitled to immediate return of all deposits and 14 15 other considerations less any agreed disbursements paid to the seller, 16 or to the seller's agent or an escrow agent for the seller's account, 17 and the agreement for purchase and sale shall be void. If the buyer does not deliver a written recision notice to seller within the three-18 19 business-day period, or as otherwise agreed to, the real property 20 transfer disclosure statement will be deemed approved and accepted by 21 the buyer.

22 <u>NEW SECTION.</u> **Sec. 5.** (1) If, after the date that a seller of 23 residential real property completes a real property transfer disclosure 24 statement, the seller becomes aware of additional information, or an 25 adverse change occurs which makes any of the disclosures made inaccurate, the seller shall amend the real property transfer 26 disclosure statement, and deliver the amendment to the buyer. 27 amendment shall be required, however, if the seller takes whatever 28 29 corrective action is necessary so that the accuracy of the disclosure 30 is restored at least three days prior to the closing date. Unless the adverse change is corrected or repaired by the seller prior to the 31 closing date, the buyer shall have the right to exercise one of the 32 following two options: (a) Approving and accepting the amendment, or 33 34 (b) rescinding the agreement of purchase and sale of the property within three business days after receiving the amended real property 35 transfer disclosure statement. Acceptance or recision shall be subject 36 37 to the same procedures described in section 4 of this act. closing date provided in the purchase and sale agreement is scheduled 38

to occur within the three-day rescission period provided for in this section, the closing date shall be extended until the expiration of the three-day rescission period. The buyer shall have no right of rescission if the seller takes whatever action is necessary so that the accuracy of the disclosure is restored at least three days prior to the closing date.

7

8

9

10

11

12

- (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.
- 13 (3) If the seller in a residential real property transfer fails or refuses to provide to the prospective buyer a real property transfer 14 15 disclosure statement as required under this chapter, the prospective 16 buyer's right of rescission under this section shall apply until the 17 transfer has closed, unless the buyer has otherwise waived the right of rescission in writing. Closing is deemed to occur when the buyer has 18 19 paid the purchase price, or down payment, and the conveyance document, 20 including a deed or real estate contract, from the seller has been delivered and recorded. After closing, the seller's obligation to 21 22 deliver the real property transfer disclosure statement and the buyer's 23 rights and remedies under this chapter shall terminate.
- 24 <u>NEW SECTION.</u> **Sec. 6.** (1) The seller of residential real property 25 shall not be liable for any error, inaccuracy, or omission in the real property transfer disclosure statement if the seller had no personal 26 knowledge of the error, inaccuracy, or omission, or if the disclosure 27 was based on information provided by public agencies, or by other 28 29 persons providing information within the scope of their professional 30 license or expertise, including, but not limited to, a report or opinion delivered by a land surveyor, structural inspector, pest 31 32 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 knowledge of the error, inaccuracy, or omission, or if the disclosure was based on information provided by public agencies, or by other persons providing information

p. 11 SSB 6283

- 1 within the scope of their professional license or expertise, including,
- 2 but not limited to, a report or opinion delivered by a land surveyor,
- 3 structural inspector, pest inspector, licensed engineer, or contractor.
- 4 <u>NEW SECTION.</u> **Sec. 7.** The legislature finds that the practices
- 5 covered by this chapter are not matters vitally affecting the public
- 6 interest for the purpose of applying the consumer protection act,
- 7 chapter 19.86 RCW.
- 8 <u>NEW SECTION.</u> **Sec. 8.** Nothing in this chapter shall extinguish or
- 9 impair any rights or remedies of a buyer of real estate against the
- 10 seller or against any agent acting for the seller otherwise existing
- 11 pursuant to common law, statute, or contract.
- 12 <u>NEW SECTION.</u> **Sec. 9.** Sections 1 through 8 of this act shall
- 13 constitute a new chapter in Title 64 RCW.

--- END ---