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**SUBSTITUTE SENATE BILL 5053**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

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

Read first time 02/24/95.

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

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

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

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

17 (4) A transfer where a buyer had an ownership interest in the  
18 property within two years of the date of the transfer including, but  
19 not limited to, an ownership interest as a partner in a partnership, a

1 limited partner in a limited partnership, a shareholder in a  
2 corporation, a leasehold interest, or transfers to and from a  
3 facilitator pursuant to a tax deferred exchange;

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

7 (6) A transfer made by the personal representative of the estate of  
8 the decedent or by a trustee in bankruptcy.

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

11 (1) In a transaction for the sale of residential real property, the  
12 seller shall, unless the buyer has expressly waived the right to  
13 receive the disclosure statement, or unless the transfer is exempt  
14 under RCW 64.06.010, deliver to the buyer a completed real property  
15 transfer disclosure statement in the following ~~((form))~~ format and that  
16 contains, at a minimum, the following information:

17 INSTRUCTIONS TO THE SELLER

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

28 NOTICE TO THE BUYER

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

32 DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE  
33 BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME THIS  
34 DISCLOSURE FORM IS COMPLETED BY THE SELLER. YOU HAVE ~~((. . .))~~ THREE  
35 BUSINESS DAYS, ~~((OR THREE BUSINESS DAYS IF NOT FILLED IN))~~ UNLESS  
36 OTHERWISE AGREED, FROM THE SELLER'S DELIVERY OF THIS SELLER'S  
37 DISCLOSURE STATEMENT TO ~~((REVOKE YOUR OFFER))~~ RESCIND YOUR AGREEMENT BY

1 DELIVERING YOUR SEPARATE SIGNED WRITTEN STATEMENT OF ((REVOCATION))  
2 RESCISSION TO THE SELLER, UNLESS YOU WAIVE THIS RIGHT AT OR PRIOR TO  
3 ENTERING INTO A SALE AGREEMENT. THE FOLLOWING ARE DISCLOSURES MADE BY  
4 THE SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE  
5 OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT  
6 INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN THE BUYER AND  
7 THE SELLER.

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

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

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

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

21 **1. TITLE**

22 [ ]Yes [ ]No [ ]Don't know A. Do you have legal authority to sell  
23 the property?

24 [ ]Yes [ ]No [ ]Don't know \*B. Is title to the property subject to  
25 any of the following?

26 (1) First right of refusal

27 (2) Option

28 (3) Lease or rental agreement

29 (4) Life estate?

30 [ ]Yes [ ]No [ ]Don't know \*C. Are there any encroachments,  
31 boundary agreements, or boundary  
32 disputes?

33 [ ]Yes [ ]No [ ]Don't know \*D. Are there any rights of way,  
34 easements, or access limitations that  
35 may affect the owner's use of the  
36 property?



1 [ ]Yes [ ]No [ ]Don't know \*(3) Are there any water treatment  
2 systems for the property?  
3 [ ]Leased [ ]Owned

4 B. Irrigation

5 [ ]Yes [ ]No [ ]Don't know (1) Are there any water rights for  
6 the property?

7 [ ]Yes [ ]No [ ]Don't know \*(2) If they exist, to your  
8 knowledge, have the water rights  
9 been used during the last five-  
10 year period?

11 [ ]Yes [ ]No [ ]Don't know \*(3) If so, is the certificate  
12 available?

13 C. Outdoor Sprinkler System

14 [ ]Yes [ ]No [ ]Don't know (1) Is there an outdoor sprinkler  
15 system for the property?

16 [ ]Yes [ ]No [ ]Don't know \*(2) Are there any defects in the  
17 outdoor sprinkler system?

18 **3. SEWER/SEPTIC SYSTEM**

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

23 . . . . .

24 [ ]Yes [ ]No [ ]Don't know B. If the property is served by a  
25 public or community sewer main, is the  
26 house connected to the main?

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

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

31 [ ]Yes [ ]No [ ]Don't know (1) Was a permit issued for its  
32 construction, and was it approved  
33 by the city or county following  
34 its construction?

35 (2) When was it last pumped:  
36 . . . . . , 19. . .

37 [ ]Yes [ ]No [ ]Don't know \*(3) Are there any defects in the  
38 operation of the septic system?

39 [ ]Don't know (4) When was it last inspected?

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

16 **4. STRUCTURAL**

17 [ ]Yes [ ]No [ ]Don't know \*A. Has the roof leaked?  
 18 [ ]Yes [ ]No [ ]Don't know If yes, has it been repaired?  
 19 [ ]Yes [ ]No [ ]Don't know \*B. Have there been any conversions,  
 20 additions, or remodeling?  
 21 [ ]Yes [ ]No [ ]Don't know \*1. If yes, were all building  
 22 permits obtained?  
 23 [ ]Yes [ ]No [ ]Don't know \*2. If yes, were all final  
 24 inspections obtained?  
 25 [ ]Yes [ ]No [ ]Don't know C. Do you know the age of the house?  
 26 If yes, year of original construction:  
 27 . . . . .  
 28 [ ]Yes [ ]No [ ]Don't know \*D. Do you know of any settling,  
 29 slippage, or sliding of the house or  
 30 other improvements? If yes, explain:  
 31 . . . . .  
 32 [ ]Yes [ ]No [ ]Don't know \*E. Do you know of any defects with the  
 33 following: (Please check applicable  
 34 items)

- |    |               |                  |                  |
|----|---------------|------------------|------------------|
| 35 | l Foundations | l Decks          | l Exterior Walls |
| 36 | l Chimneys    | l Interior Walls | l Fire Alarm     |
| 37 | l Doors       | l Windows        | l Patio          |
| 38 | l Ceilings    | l Slab Floors    | l Driveways      |



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

9 **7. GENERAL**

10 [ ]Yes [ ]No [ ]Don't know \*A. Is there any settling, soil,  
11 standing water, or drainage problems on  
12 the property?

13 [ ]Yes [ ]No [ ]Don't know \*B. Does the property contain fill  
14 material?

15 [ ]Yes [ ]No [ ]Don't know \*C. Is there any material damage to the  
16 property or any of the structure from  
17 fire, wind, floods, beach movements,  
18 earthquake, expansive soils, or  
19 landslides?

20 [ ]Yes [ ]No [ ]Don't know D. Is the property in a designated  
21 flood plain?

22 (~~[ ]Yes [ ]No [ ]Don't know E. Is the property in a designated  
23 flood hazard zone?)~~)

24 [ ]Yes [ ]No [ ]Don't know ((~~\*F.~~)) \*E. Are there any substances,  
25 materials, or products that may be an  
26 environmental hazard such as, but not  
27 limited to, asbestos, formaldehyde,  
28 radon gas, lead-based paint, fuel or  
29 chemical storage tanks, and  
30 contaminated soil or water on the  
31 subject property?

32 [ ]Yes [ ]No [ ]Don't know ((~~\*G.~~)) \*F. Are there any tanks or  
33 underground storage tanks (e.g.,  
34 chemical, fuel, etc.) on the property?

35 [ ]Yes [ ]No [ ]Don't know ((~~\*H.~~)) \*G. Has the property ever been  
36 used as an illegal drug manufacturing  
37 site?

38 **8. FULL DISCLOSURE BY SELLERS**



1 A. Other conditions or defects:  
2 [ ]Yes [ ]No [ ]Don't know \*Are there any other material defects  
3 affecting this property or its value  
4 that a prospective buyer should know  
5 about?

6 B. Verification:  
7 The foregoing answers and attached  
8 explanations (if any) are complete and  
9 correct to the best of my/our knowledge  
10 and I/we have received a copy hereof.  
11 I/we authorize all of my/our real  
12 estate licensees, if any, to deliver a  
13 copy of this disclosure statement to  
14 other real estate licensees and all  
15 prospective buyers of the property.

16 DATE . . . . . SELLER . . . . . SELLER . . . . .

17 **II. BUYER'S ACKNOWLEDGMENT**

- 18 A. As buyer(s), I/we acknowledge the duty to pay  
19 diligent attention to any material defects which  
20 are known to me/us or can be known to me/us by  
21 utilizing diligent attention and observation.
- 22 B. Each buyer acknowledges and understands that the  
23 disclosures set forth in this statement and in  
24 any amendments to this statement are made only by  
25 the seller.
- 26 C. Buyer (which term includes all persons signing  
27 the "buyer's acceptance" portion of this  
28 disclosure statement below) hereby acknowledges  
29 receipt of a copy of this disclosure statement  
30 (including attachments, if any) bearing seller's  
31 signature.

32 DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE  
33 BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME OF  
34 DISCLOSURE. YOU, THE BUYER, HAVE ((~~—~~)) THREE BUSINESS DAYS ((~~OR~~  
35 ~~THREE BUSINESS DAYS IF NOT FILLED IN~~)), UNLESS OTHERWISE AGREED, FROM  
36 THE SELLER'S DELIVERY OF THIS SELLER'S DISCLOSURE STATEMENT TO ((~~REVOKE~~  
37 ~~YOUR OFFER~~)) RESCIND YOUR AGREEMENT BY DELIVERING YOUR SEPARATE SIGNED

1 WRITTEN STATEMENT OF ((REVOICATION)) RESCISSION TO THE SELLER UNLESS YOU  
2 WAIVE THIS RIGHT OF ((REVOICATION)) RESCISSION.  
3 BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS REAL PROPERTY  
4 TRANSFER DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES  
5 MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE  
6 LICENSEE OR OTHER PARTY.  
7 DATE . . . . . BUYER . . . . . BUYER . . . . .

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

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

18 Unless the buyer has expressly waived the right to receive the  
19 disclosure statement, ((within)) not later than five business days or  
20 as otherwise agreed to, ((of)) after mutual acceptance of a written  
21 agreement between a buyer and a seller for the purchase and sale of  
22 residential real property, the seller shall deliver to the buyer a  
23 completed, signed, and dated real property transfer disclosure  
24 statement. Within three business days, or as otherwise agreed to, of  
25 receipt of the real property transfer disclosure statement, the buyer  
26 shall have the right to exercise one of the following two options: (1)  
27 Approving and accepting the real property transfer disclosure  
28 statement; or (2) rescinding the agreement for the purchase and sale of  
29 the property, which decision may be made by the buyer in the buyer's  
30 sole discretion. If the buyer elects to rescind the agreement, the  
31 buyer must deliver written notice of rescission to the seller within  
32 the three-business-day period, or as otherwise agreed to, and upon  
33 delivery of the written rescission notice the buyer shall be entitled  
34 to immediate return of all deposits and other considerations less any  
35 agreed disbursements paid to the seller, or to the seller's agent or an  
36 escrow agent for the seller's account, and the agreement for purchase  
37 and sale shall be void. If the buyer does not deliver a written  
38 recision notice to [the] seller within the three-business-day period,

1 or as otherwise agreed to, the real property transfer disclosure  
2 statement will be deemed approved and accepted by the buyer.

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

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

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

35 (3) If the seller in a residential real property transfer fails or  
36 refuses to provide to the prospective buyer a real property transfer  
37 disclosure statement as required under this chapter, the prospective  
38 buyer's right of rescission under this section shall apply until the

1 earlier of three business days after receipt of the real property  
2 transfer disclosure statement or the date the transfer has closed,  
3 unless the buyer has otherwise waived the right of rescission in  
4 writing. Closing is deemed to occur when the buyer has paid the  
5 purchase price, or down payment, and the conveyance document, including  
6 a deed or real estate contract, from the seller has been delivered and  
7 recorded. After closing, the seller's obligation to deliver the real  
8 property transfer disclosure statement and the buyer's rights and  
9 remedies under this chapter shall terminate.

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

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

25 (2) Any licensed real estate salesperson or broker involved in a  
26 residential real property transaction is not liable for any error,  
27 inaccuracy, or omission in the real property transfer disclosure  
28 statement if the licensee had no (~~personal~~) actual knowledge of the  
29 error, inaccuracy, or omission. Unless the salesperson or broker has  
30 actual knowledge of an error, inaccuracy, or omission in a real  
31 property transfer disclosure statement, the salesperson or broker shall  
32 not be liable for such error, inaccuracy, or omission if the disclosure  
33 was based on information provided by public agencies, or by other  
34 persons providing information within the scope of their professional  
35 license or expertise, including, but not limited to, a report or  
36 opinion delivered by a land surveyor, title company, title insurance  
37 company, structural inspector, pest inspector, licensed engineer, or  
38 contractor.

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

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

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

--- END ---