

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE SENATE BILL 5053

Chapter 301, Laws of 1996

(partial veto)

54th Legislature
1996 Regular Session

REAL ESTATE DISCLOSURE

EFFECTIVE DATE: 6/6/96 - Except section 2 which becomes effective on 7/1/96.

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

JOEL PRITCHARD

President of the Senate

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

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved March 30, 1996, with the exception of section 1, which is vetoed.

MIKE LOWRY

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.

MARTY BROWN

Secretary

FILED

March 30, 1996 - 4:35 p.m.

**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. 1 was vetoed. See message at end of chapter.

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

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

26 INSTRUCTIONS TO THE SELLER

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

37 NOTICE TO THE BUYER

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

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

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

26 Seller is/ is not occupying the property.

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

28 *If "Yes" attach a copy or explain. If necessary use an attached
29 sheet.

30 **1. TITLE**

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

1 []Yes []No []Don't know *B. Is title to the property subject to
2 any of the following?
3 (1) First right of refusal
4 (2) Option
5 (3) Lease or rental agreement
6 (4) Life estate?

7 []Yes []No []Don't know *C. Are there any encroachments,
8 boundary agreements, or boundary
9 disputes?

10 []Yes []No []Don't know *D. Are there any rights of way,
11 easements, or access limitations that
12 may affect the owner's use of the
13 property?

14 []Yes []No []Don't know *E. Are there any written agreements
15 for joint maintenance of an easement or
16 right of way?

17 []Yes []No []Don't know *F. Is there any study, survey project,
18 or notice that would adversely affect
19 the property?

20 []Yes []No []Don't know *G. Are there any pending or existing
21 assessments against the property?

22 []Yes []No []Don't know *H. Are there any zoning violations,
23 nonconforming uses, or any unusual
24 restrictions on the subject property
25 that would affect future construction
26 or remodeling?

27 []Yes []No []Don't know *I. Is there a boundary survey for the
28 property?

29 []Yes []No []Don't know *J. Are there any covenants,
30 conditions, or restrictions which
31 affect the property?

32 **2. WATER**

33 A. Household Water
34 (1) The source of the water is
35 []Public []Community []Private
36 []Shared
37 (2) Water source information:

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

*a. Are there any written agreements for shared water source?

2

3

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

*b. Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source?

5

6

7

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

*c. Are any known problems or repairs needed?

9

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

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

11

12

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

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

14

15

16

B. Irrigation

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

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

18

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

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

20

21

22

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

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

24

25

C. Outdoor Sprinkler System

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

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

27

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

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

29

30

3. SEWER/SEPTIC SYSTEM

31

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

32

33

34

35

36 []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?

37

38

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

C. Is the property currently subject to a sewer capacity charge?
D. If the property is connected to a septic system:
(1) Was a permit issued for its construction, and was it approved by the city or county following its construction?
(2) When was it last pumped:
. , 19. . .
*(3) Are there any defects in the operation of the septic system?
(4) When was it last inspected?
. , 19. . .
By Whom:
(5) How many bedrooms was the system approved for?
. bedrooms
*((D)) E. Do all plumbing fixtures, including laundry drain, go to the septic/sewer system? If no, explain:
.
*((E)) F. Are you aware of any changes or repairs to the septic system?
*((F)) G. Is the septic tank system, including the drainfield, located entirely within the boundaries of the property?

29
30
31
32
33
34
35
36
37

4. STRUCTURAL

*A. Has the roof leaked?
If yes, has it been repaired?
*B. Have there been any conversions, additions, or remodeling?
*1. If yes, were all building permits obtained?
*2. If yes, were all final inspections obtained?

1 []Yes []No []Don't know C. Do you know the age of the house?
2 If yes, year of original construction:
3

4 []Yes []No []Don't know *D. Do you know of any settling,
5 slippage, or sliding of either the
6 house or other structures/improvements
7 located on the property? If yes,
8 explain:
9

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

- | | | | |
|----|--|---|---|
| 13 | <input type="checkbox"/> Foundations | <input type="checkbox"/> Decks | <input type="checkbox"/> Exterior Walls |
| 14 | <input type="checkbox"/> Chimneys | <input type="checkbox"/> Interior Walls | <input type="checkbox"/> Fire Alarm |
| 15 | <input type="checkbox"/> Doors | <input type="checkbox"/> Windows | <input type="checkbox"/> Patio |
| 16 | <input type="checkbox"/> Ceilings | <input type="checkbox"/> Slab Floors | <input type="checkbox"/> Driveways |
| 17 | <input type="checkbox"/> Pools | <input type="checkbox"/> Hot Tub | <input type="checkbox"/> Sauna |
| 18 | <input type="checkbox"/> Sidewalks | <input type="checkbox"/> Outbuildings | <input type="checkbox"/> Fireplaces |
| 19 | <input type="checkbox"/> Garage Floors | | <input type="checkbox"/> Walkways |
| 20 | <input type="checkbox"/> Other | | <input type="checkbox"/> Wood Stoves |

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

25 []Yes []No []Don't know *G. Since assuming ownership, has your
26 property had a problem with wood
27 destroying organisms and/or have there
28 been any problems with pest control,
29 infestations, or vermin?

30 **5. SYSTEMS AND FIXTURES**

31 If the following systems or fixtures
32 are included with the transfer, do they
33 have any existing defects:

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

1 []Yes []No []Don't know *B. Plumbing system, including pipes,
 2 faucets, fixtures, and toilets
 3 []Yes []No []Don't know *C. Hot water tank
 4 []Yes []No []Don't know *D. Garbage disposal
 5 []Yes []No []Don't know *E. Appliances
 6 []Yes []No []Don't know *F. Sump pump
 7 []Yes []No []Don't know *G. Heating and cooling systems
 8 []Yes []No []Don't know *H. Security system [] Owned []
 9 Leased
 10 *I. Other

6. COMMON INTEREST

11 []Yes []No []Don't know A. Is there a Home Owners' Association?
 12 Name of Association
 13 []Yes []No []Don't know B. Are there regular periodic
 14 assessments:
 15 \$ per [] Month [] Year
 16 [] Other
 17 []Yes []No []Don't know *C. Are there any pending special
 18 assessments?
 19 []Yes []No []Don't know *D. Are there any shared "common areas"
 20 or any joint maintenance agreements
 21 (facilities such as walls, fences,
 22 landscaping, pools, tennis courts,
 23 walkways, or other areas co-owned in
 24 undivided interest with others)?
 25

7. GENERAL

26 []Yes []No []Don't know *A. Is there any settling, soil,
 27 standing water, or drainage problems on
 28 the property?
 29 []Yes []No []Don't know *B. Does the property contain fill
 30 material?
 31 []Yes []No []Don't know *C. Is there any material damage to the
 32 property or any of the structure from
 33 fire, wind, floods, beach movements,
 34 earthquake, expansive soils, or
 35 landslides?
 36

1 []Yes []No []Don't know D. Is the property in a designated
2 flood plain?
3 (~~[]Yes []No []Don't know~~ ~~E. Is the property in a designated~~
4 ~~flood hazard zone?))
5 []Yes []No []Don't know ((*F-)) *E. Are there any substances,
6 materials, or products that may be an
7 environmental hazard such as, but not
8 limited to, asbestos, formaldehyde,
9 radon gas, lead-based paint, fuel or
10 chemical storage tanks, and
11 contaminated soil or water on the
12 subject property?
13 []Yes []No []Don't know ((*G-)) *F. Are there any tanks or
14 underground storage tanks (e.g.,
15 chemical, fuel, etc.) on the property?
16 []Yes []No []Don't know ((*H-)) *G. Has the property ever been
17 used as an illegal drug manufacturing
18 site?~~

19 **8. FULL DISCLOSURE BY SELLERS**

20 A. Other conditions or defects:
21 []Yes []No []Don't know *Are there any other material defects
22 affecting this property or its value
23 that a prospective buyer should know
24 about?
25 B. Verification:
26 The foregoing answers and attached
27 explanations (if any) are complete and
28 correct to the best of my/our knowledge
29 and I/we have received a copy hereof.
30 I/we authorize all of my/our real
31 estate licensees, if any, to deliver a
32 copy of this disclosure statement to
33 other real estate licensees and all
34 prospective buyers of the property.

35 DATE SELLER SELLER

36 **II. BUYER'S ACKNOWLEDGMENT**

- 1 A. As buyer(s), I/we acknowledge the duty to pay
2 diligent attention to any material defects which
3 are known to me/us or can be known to me/us by
4 utilizing diligent attention and observation.
5 B. Each buyer acknowledges and understands that the
6 disclosures set forth in this statement and in
7 any amendments to this statement are made only by
8 the seller.
9 C. Buyer (which term includes all persons signing
10 the "buyer's acceptance" portion of this
11 disclosure statement below) hereby acknowledges
12 receipt of a copy of this disclosure statement
13 (including attachments, if any) bearing seller's
14 signature.

15 DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE
16 BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME OF
17 DISCLOSURE. YOU, THE BUYER, HAVE ((~~—~~)) THREE BUSINESS DAYS ((~~OR~~
18 ~~THREE BUSINESS DAYS IF NOT FILLED IN~~)), UNLESS OTHERWISE AGREED, FROM
19 THE SELLER'S DELIVERY OF THIS SELLER'S DISCLOSURE STATEMENT TO ((~~REVOKE~~
20 ~~YOUR OFFER~~)) RESCIND YOUR AGREEMENT BY DELIVERING YOUR SEPARATE SIGNED
21 WRITTEN STATEMENT OF ((~~REVOCATION~~)) RESCISSION TO THE SELLER UNLESS YOU
22 WAIVE THIS RIGHT OF ((~~REVOCATION~~)) RESCISSION.
23 BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS REAL PROPERTY
24 TRANSFER DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES
25 MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE
26 LICENSEE OR OTHER PARTY.
27 DATE BUYER BUYER

28 (2) The real property transfer disclosure statement shall be for
29 disclosure only, and shall not be considered part of any written
30 agreement between the buyer and seller of residential real property.
31 The real property transfer disclosure statement shall be only a
32 disclosure made by the seller, and not any real estate licensee
33 involved in the transaction, and shall not be construed as a warranty
34 of any kind by the seller or any real estate licensee involved in the
35 transaction.

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

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

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

26 (1) If, after the date that a seller of residential real property
27 completes a real property transfer disclosure statement, the seller
28 becomes aware of additional information, or an adverse change occurs
29 which makes any of the disclosures made inaccurate, the seller shall
30 amend the real property transfer disclosure statement, and deliver the
31 amendment to the buyer. No amendment shall be required, however, if
32 the seller takes whatever corrective action is necessary so that the
33 accuracy of the disclosure is restored, or the adverse change is
34 corrected, at least three business days prior to the closing date.
35 Unless the (~~adverse change is corrected or repaired~~) corrective
36 action is completed by the seller prior to the closing date, the buyer
37 shall have the right to exercise one of the following two options: (a)
38 Approving and accepting the amendment, or (b) rescinding the agreement

1 of purchase and sale of the property within three business days after
2 receiving the amended real property transfer disclosure statement.
3 Acceptance or rescission shall be subject to the same procedures
4 described in RCW 64.06.030. If the closing date provided in the
5 purchase and sale agreement is scheduled to occur within the three-
6 business-day rescission period provided for in this section, the
7 closing date shall be extended until the expiration of the three-
8 business-day rescission period. The buyer shall have no right of
9 rescission if the seller takes whatever action is necessary so that the
10 accuracy of the disclosure is restored at least three business days
11 prior to the closing date.

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

18 (3) If the seller in a residential real property transfer fails or
19 refuses to provide to the prospective buyer a real property transfer
20 disclosure statement as required under this chapter, the prospective
21 buyer's right of rescission under this section shall apply until the
22 earlier of three business days after receipt of the real property
23 transfer disclosure statement or the date the transfer has closed,
24 unless the buyer has otherwise waived the right of rescission in
25 writing. Closing is deemed to occur when the buyer has paid the
26 purchase price, or down payment, and the conveyance document, including
27 a deed or real estate contract, from the seller has been delivered and
28 recorded. After closing, the seller's obligation to deliver the real
29 property transfer disclosure statement and the buyer's rights and
30 remedies under this chapter shall terminate.

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

33 (1) The seller of residential real property shall not be liable for
34 any error, inaccuracy, or omission in the real property transfer
35 disclosure statement if the seller had no (~~personal~~) actual knowledge
36 of the error, inaccuracy, or omission. Unless the seller of
37 residential real property has actual knowledge of an error, inaccuracy,
38 or omission in a real property transfer disclosure statement, the

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

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

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

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

31 NEW SECTION. **Sec. 7.** Section 2 of this act shall take effect July
32 1, 1996.

Passed the Senate March 7, 1996.

Passed the House February 27, 1996.

Approved by the Governor March 30, 1996, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State March 30, 1996.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to section 1,
3 Second Substitute Senate Bill No. 5053 entitled:

4 "AN ACT Relating to real estate disclosure;"

5 Second Substitute Senate Bill No. 5053 clarifies and updates state
6 residential real estate disclosure law. Under current law, sellers of
7 real estate are required to make an extensive list of disclosures
8 concerning their properties and to deliver the statements within five
9 days of acceptance of a written purchase agreement. Following delivery
10 of the disclosure statement, the purchaser has up to three business
11 days to rescind the transaction.

12 Section 1 of Second Substitute Senate Bill No. 5053 would exempt
13 new residential construction from these real estate disclosure
14 requirements. This is unacceptable.

15 The residential real estate disclosure act is a basic consumer
16 protection law. Although it may duplicate some of the protections
17 provided by the state and local permitting process, it places little
18 burden on the seller and facilitates open and honest review of a
19 transaction that represents, for most citizens, the single largest
20 purchase in their lifetime.

21 Section 2 of Second Substitute Senate Bill No. 5053 makes a number
22 of clarifications to the law and eliminates the question about whether
23 property is in a designated flood hazard zone. Given the catastrophic
24 floods of this past winter, eliminating a question of this kind might
25 appear foolhardy. However, the question is ambiguous and in practice
26 has caused sellers great difficulty in attempting to offer a clear and
27 accurate answer. Section 2 further provides that the questions
28 included in statute are the minimum to be included on the state
29 disclosure form. The Washington Association of Realtors has authority
30 to add additional questions that are substantially similar to the
31 statewide form or to specialized, regional forms. I have asked the
32 Growth Management Division of the state Department of Community, Trade
33 and Economic Development to work with the Washington Association of
34 Realtors and other interested parties to develop a question on this
35 issue that will include a reference to sellers about where to find this
36 information. Re-working this question will allow sellers to disclose
37 clear, accurate information on this topic without becoming bogged down
38 in technical ambiguities.

39 For these reasons, I have vetoed section 1 of Second Substitute
40 Senate Bill No. 5053.

41 With the exception of section 1, Second Substitute Senate Bill No.
42 5053 is approved."