

FINAL BILL REPORT

SHB 1634

C 200 L 03

Synopsis as Enacted

Brief Description: Changing the residential property seller disclosure statement.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Chandler, Kenney, Berkey, Wood, Holmquist, Crouse, Tom, Edwards and Rockefeller).

House Committee on Commerce & Labor

Senate Committee on Financial Services, Insurance & Housing

Background:

Sellers of residential real property must provide the buyer with a disclosure statement concerning the 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 the disclosure statement as required, the buyer may rescind the transaction at any time 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:

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 and to make terminology usage consistent with that used by other state agencies.

Information on the following must be disclosed, whether apparent or not:

- the ownership of the well or water system;
- the source of the water for any irrigation systems;
- any on-site sewer system maintenance more frequent than once a year;
- any sewer costs beyond regular monthly bills;
- any basement leaking or flooding;
- any defects in the siding;
- any radio towers that may cause interference with telephone reception;
- 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:

- any prior home inspections conducted; and
- any problems with standing water on the property.

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.

Votes on Final Passage:

House 94 0

Senate 47 1 (Senate amended)
House 98 0 (House concurred)

Effective: July 27, 2003