

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5399

Chapter 367, Laws of 2023

68th Legislature
2023 Regular Session

REAL ESTATE—FUTURE LISTING RIGHT PURCHASE CONTRACTS

EFFECTIVE DATE: May 9, 2023

Passed by the Senate April 18, 2023
Yeas 48 Nays 0

DENNY HECK

President of the Senate

Passed by the House April 6, 2023
Yeas 98 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Approved May 9, 2023 11:09 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5399** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

May 10, 2023

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5399

AS AMENDED BY THE HOUSE

Passed Legislature - 2023 Regular Session

State of Washington 68th Legislature 2023 Regular Session

By Senate Business, Financial Services, Gaming & Trade (originally sponsored by Senators Mullet and Dozier)

READ FIRST TIME 02/10/23.

1 AN ACT Relating to future listing right purchase contracts;
2 adding a new chapter to Title 61 RCW; creating a new section;
3 providing an expiration date; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) No future listing right purchase
6 contract shall exceed five years duration and may not be renewed or
7 extended. A future listing right purchase contract:

8 (a) Shall not be used as a lien against the real property;

9 (b) Shall not run with title to real property and is not binding
10 or enforceable at law or in equity against any subsequent owner,
11 purchaser, or mortgagee or holder of any interest in real property as
12 an equitable servitude;

13 (c) May be canceled by the owner without penalty or further
14 obligation within 10 business days after execution of the contract by
15 owner sending notice of cancellation to the other party by mail,
16 telegram, or other means of written communication along with the full
17 amount of any consideration paid to the owner. Notice of cancellation
18 is considered given when mailed, when filed for telegraphic
19 transmission, or, if sent by other means, when delivered to the other
20 party's designated place of business. Such cancellation right shall

1 be set forth clearly in bold type font in the future listing right
2 purchase contract;

3 (d) Shall set forth clearly in bold type font that the owner may
4 not be compelled to list the owner's property.

5 (2) The attorney general may bring actions to enforce compliance
6 with this section. The legislature finds that the practices covered
7 by this section are matters vitally affecting the public interest for
8 the purpose of applying the consumer protection act, chapter 19.86
9 RCW. A violation of this section is not reasonable in relation to the
10 development and preservation of business and is an unfair or
11 deceptive act in trade or commerce and an unfair method of
12 competition for the purpose of applying the consumer protection act,
13 chapter 19.86 RCW.

14 (3) For the purposes of this section, a "future listing right
15 purchase contract" means a contract granting an exclusive right to
16 list residential real estate for sale in the future and includes, but
17 is not limited to, any document recorded in the county where the real
18 estate is located relating to the contract including the contract
19 itself, a memorandum concerning the contract, or a deed of trust to
20 secure the terms of the contract.

21 NEW SECTION. **Sec. 2.** (1) The Washington real estate commission
22 established under chapter 18.85 RCW shall convene a work group to
23 examine practices used by real estate brokerage companies to market,
24 establish, and enforce future listing right purchase contracts in
25 order to provide recommendations for consumer protections and
26 potential regulations, including potential licensing requirements.
27 The work group shall be staffed by the department of licensing and
28 include representatives from associations that represent real estate
29 brokers, real estate brokerage companies who offer future listing
30 right purchase contracts, and other entities that the Washington real
31 estate commission deems appropriate. The commission shall report back
32 to the appropriate committees of the legislature in accordance with
33 RCW 43.01.036 by December 1, 2024, with the work group's findings and
34 recommendations.

35 (2) This section expires July 1, 2025.

36 NEW SECTION. **Sec. 3.** Section 1 of this act constitutes a new
37 chapter in Title 61 RCW.

1 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect immediately.

Passed by the Senate April 18, 2023.

Passed by the House April 6, 2023.

Approved by the Governor May 9, 2023.

Filed in Office of Secretary of State May 10, 2023.

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