
SENATE BILL 5053

State of Washington

54th Legislature

1995 Regular Session

By Senators Haugen and Winsley

Read first time 01/09/95. Referred to Committee on Government Operations.

1 AN ACT Relating to real estate disclosure; and amending RCW
2 64.06.010, 64.06.020, 64.06.030, 64.06.040, 64.06.050, and 64.06.070.

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

4 **Sec. 1.** RCW 64.06.010 and 1994 c 200 s 2 are each amended to read
5 as follows:

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

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

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

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

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

1 corporation, a leasehold interest, or transfers to and from a
2 facilitator pursuant to a tax deferred exchange;

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

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

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

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

16 INSTRUCTIONS TO THE SELLER

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

27 NOTICE TO THE BUYER

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

31 DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE
32 BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME THIS
33 DISCLOSURE FORM IS COMPLETED BY THE SELLER. YOU HAVE (~~three~~) THREE
34 BUSINESS DAYS, (~~(or three business days if not filled in)~~) UNLESS
35 OTHERWISE AGREED, FROM THE SELLER'S DELIVERY OF THIS SELLER'S
36 DISCLOSURE STATEMENT TO (~~(REVOKE YOUR OFFER)~~) RESCIND YOUR AGREEMENT BY
37 DELIVERING YOUR SEPARATE SIGNED WRITTEN STATEMENT OF (~~(REVOCATION)~~)

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

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

16 Seller is/ is not occupying the property.

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

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

20 **1. TITLE**

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

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

25 (1) First right of refusal

26 (2) Option

27 (3) Lease or rental agreement

28 (4) Life estate?

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

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

1 []Yes []No []Don't know *E. Are there any written agreements
2 for joint maintenance of an easement or
3 right of way?
4 []Yes []No []Don't know *F. Is there any study, survey project,
5 or notice that would adversely affect
6 the property?
7 []Yes []No []Don't know *G. Are there any pending or existing
8 assessments against the property?
9 []Yes []No []Don't know *H. Are there any zoning violations,
10 nonconforming uses, or any unusual
11 restrictions on the subject property
12 that would affect future construction
13 or remodeling?
14 []Yes []No []Don't know *I. Is there a boundary survey for the
15 property?
16 []Yes []No []Don't know *J. Are there any covenants,
17 conditions, or restrictions which
18 affect the property?

19 **2. WATER**

20 A. Household Water

21 (1) The source of the water is
22 []Public []Community []Private
23 []Shared

24 (2) Water source information:

25 []Yes []No []Don't know *a. Are there any written
26 agreements for shared water
27 source?
28 []Yes []No []Don't know *b. Is there an easement
29 (recorded or unrecorded) for
30 access to and/or maintenance
31 of the water source?
32 []Yes []No []Don't know *c. Are any known problems or
33 repairs needed?
34 []Yes []No []Don't know *d. Does the source provide
35 an adequate year round supply
36 of potable water?

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. If the property is connected to a
28 septic system:

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

33 (2) When was it last pumped:
34 , 19. . .

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

37 []Don't know (4) When was it last inspected?
38 , 19. . .

39 By Whom:

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

*F. Was a pest or dry rot, structural or "whole house" inspection done? When and by whom was the inspection completed?

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

*G. Since assuming ownership, has your property had a problem with wood destroying organisms and/or have there been any problems with pest control, infestations, or vermin?

5. SYSTEMS AND FIXTURES

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

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

*A. Electrical system, including wiring, switches, outlets, and service

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

*B. Plumbing system, including pipes, faucets, fixtures, and toilets

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

*C. Hot water tank

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

*D. Garbage disposal

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

*E. Appliances

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

*F. Sump pump

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

*G. Heating and cooling systems

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

*H. Security system [] Owned [] Leased

25

*I. Other

6. COMMON INTEREST

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

A. Is there a Home Owners' Association?

28

Name of Association

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

B. Are there regular periodic assessments:

31

\$ per [] Month [] Year

32

[] Other

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

*C. Are there any pending special assessments?

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

*D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts,

walkways, or other areas co-owned in undivided interest with others)?

7. GENERAL

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

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

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

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

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

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

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

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

8. FULL DISCLOSURE BY SELLERS

A. Other conditions or defects:

[]Yes []No []Don't know *Are there any other material defects affecting this property or its value that a prospective buyer should know about?

B. Verification:

The foregoing answers and attached explanations (if any) are complete and correct to the best of my/our knowledge and I/we have received a copy hereof. I/we authorize all of my/our real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.

DATE SELLER SELLER

II. BUYER'S ACKNOWLEDGMENT

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

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

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS REAL PROPERTY TRANSFER DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

DATE BUYER BUYER

1 (2) The real property transfer disclosure statement shall be for
2 disclosure only, and shall not be considered part of any written
3 agreement between the buyer and seller of residential real property.
4 The real property transfer disclosure statement shall be only a
5 disclosure made by the seller, and not any real estate licensee
6 involved in the transaction, and shall not be construed as a warranty
7 of any kind by the seller or any real estate licensee involved in the
8 transaction.

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

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

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

36 (1) If, after the date that a seller of residential real property
37 completes a real property transfer disclosure statement, the seller

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

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

29 (3) If the seller in a residential real property transfer fails or
30 refuses to provide to the prospective buyer a real property transfer
31 disclosure statement as required under this chapter, the prospective
32 buyer's right of rescission under this section shall apply until the
33 earlier of three business days after receipt of the real property
34 transfer disclosure statement or the date the transfer has closed,
35 unless the buyer has otherwise waived the right of rescission in
36 writing. Closing is deemed to occur when the buyer has paid the
37 purchase price, or down payment, and the conveyance document, including
38 a deed or real estate contract, from the seller has been delivered and
39 recorded. After closing, the seller's obligation to deliver the real

1 property transfer disclosure statement and the buyer's rights and
2 remedies under this chapter shall terminate.

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

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

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

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

34 Except as provided in RCW 64.06.050, nothing in this chapter shall
35 extinguish or impair any rights or remedies of a buyer of real estate
36 against the seller or against any agent acting for the seller otherwise
37 existing pursuant to common law, statute, or contract; nor shall

1 anything in this chapter create any new right or remedy for a buyer of
2 residential real property other than the right of rescission exercised on
3 the basis and within the time limits provided in this chapter.

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