

2 SSB 5053 - H COMM AMD

3 By Committee on Trade & Economic Development

4 ADOPTED AS AMENDED 4/6/95

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 64.06.010 and 1994 c 200 s 2 are each amended to read
8 as follows:

9 (1) Except as provided in subsection (2) of this section, this
10 chapter does not apply to the following transfers of residential real
11 property:

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

16 ~~((2))~~ (b) A gift or other transfer to a parent, spouse, or child
17 of a transferor or child of any parent or spouse of a transferor;

18 ~~((3))~~ (c) A transfer between spouses in connection with a marital
19 dissolution;

20 ~~((4))~~ (d) A transfer where a buyer had an ownership interest in
21 the property within two years of the date of the transfer including,
22 but not limited to, an ownership interest as a partner in a
23 partnership, a limited partner in a limited partnership, a shareholder
24 in a corporation, a leasehold interest, or transfers to and from a
25 facilitator pursuant to a tax deferred exchange;

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

29 ~~(6))~~ (f) A transfer made by the personal representative of the
30 estate of the decedent or by a trustee in bankruptcy; and

31 (g) A transfer of new residential construction, if the seller is
32 registered under chapter 18.27 RCW, and if the buyer is the first
33 purchaser and occupant.

34 (2) This chapter shall apply to transfers of residential real
35 property exempt under this section, if the seller provides to the buyer

1 a completed real property transfer disclosure statement in the form
2 described in RCW 64.06.020(1).

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

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

11 INSTRUCTIONS TO THE SELLER

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

22 NOTICE TO THE BUYER

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

26 DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE
27 BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME THIS
28 DISCLOSURE FORM IS COMPLETED BY THE SELLER. YOU HAVE ~~((.---.))~~ THREE
29 BUSINESS DAYS, ~~((OR THREE BUSINESS DAYS IF NOT FILLED IN))~~ UNLESS
30 OTHERWISE AGREED, FROM THE SELLER'S DELIVERY OF THIS SELLER'S
31 DISCLOSURE STATEMENT TO ~~((REVOKE YOUR OFFER))~~ RESCIND YOUR AGREEMENT BY
32 DELIVERING YOUR SEPARATE SIGNED WRITTEN STATEMENT OF ~~((REVOCATION))~~
33 RESCISSION TO THE SELLER, UNLESS YOU WAIVE THIS RIGHT AT OR PRIOR TO
34 ENTERING INTO A SALE AGREEMENT. THE FOLLOWING ARE DISCLOSURES MADE BY
35 THE SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE
36 OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT

1 INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN THE BUYER AND
2 THE SELLER.

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

12 Seller is/ is not occupying the property.

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

14 *If "Yes" attach a copy or explain. If necessary use an attached
15 sheet.

16 **1. TITLE**

17 Yes No Don't know A. Do you have legal authority to sell
18 the property?

19 Yes No Don't know *B. Is title to the property subject to
20 any of the following?

21 (1) First right of refusal

22 (2) Option

23 (3) Lease or rental agreement

24 (4) Life estate?

25 Yes No Don't know *C. Are there any encroachments,
26 boundary agreements, or boundary
27 disputes?

28 Yes No Don't know *D. Are there any rights of way,
29 easements, or access limitations that
30 may affect the owner's use of the
31 property?

32 Yes No Don't know *E. Are there any written agreements
33 for joint maintenance of an easement or
34 right of way?

35 Yes No Don't know *F. Is there any study, survey project,
36 or notice that would adversely affect
37 the property?

1 []Yes []No []Don't know *G. Are there any pending or existing
2 assessments against the property?
3 []Yes []No []Don't know *H. Are there any zoning violations,
4 nonconforming uses, or any unusual
5 restrictions on the subject property
6 that would affect future construction
7 or remodeling?
8 []Yes []No []Don't know *I. Is there a boundary survey for the
9 property?
10 []Yes []No []Don't know *J. Are there any covenants,
11 conditions, or restrictions which
12 affect the property?

13 **2. WATER**

14 A. Household Water

15 (1) The source of the water is
16 []Public []Community []Private
17 []Shared

18 (2) Water source information:

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

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

26 *c. Are any known problems or
27 repairs needed?

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

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

34 B. Irrigation

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

37 *(2) If they exist, to your
38 knowledge, have the water rights

been used during the last five-year period?

1
2
3 Yes No Don't know

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

5 C. Outdoor Sprinkler System

6 Yes No Don't know

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

7
8 Yes No Don't know

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

9

10 **3. SEWER/SEPTIC SYSTEM**

11 A. The property is served by:
12 Public sewer main, Septic tank
13 system Other disposal system
14 (describe)

15

B. If the property is served by a public or community sewer main, is the house connected to the main?

16 Yes No Don't know

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

17

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

18

19

20

21

22

23 Yes No Don't know

(1) Was a permit issued for its construction, and was it approved by the city or county following its construction?

24

25

26

27

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

28

29 Yes No Don't know

*(3) Are there any defects in the operation of the septic system?

30

31 Don't know

(4) When was it last inspected:
. , 19. . .

32

33

By Whom:

34 Don't know

(5) How many bedrooms was the system approved for?

35

36

. bedrooms

37 Yes No Don't know

*((D)) E. Do all plumbing fixtures, including laundry drain, go to the

38

1 septic/sewer system? If no, explain:
 2
 3 []Yes []No []Don't know *((E)) F. Are you aware of any changes
 4 or repairs to the septic system?
 5 []Yes []No []Don't know ((F)) G. Is the septic tank system,
 6 including the drainfield, located
 7 entirely within the boundaries of the
 8 property?

9 **4. STRUCTURAL**

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

- | | | | |
|----|-----------------|------------------|------------------|
| 28 | l Foundations | l Decks | l Exterior Walls |
| 29 | l Chimneys | l Interior Walls | l Fire Alarm |
| 30 | l Doors | l Windows | l Patio |
| 31 | l Ceilings | l Slab Floors | l Driveways |
| 32 | l Pools | l Hot Tub | l Sauna |
| 33 | l Sidewalks | l Outbuildings | l Fireplaces |
| 34 | l Garage Floors | | l Walkways |
| 35 | l Other | | l Wood Stoves |

36 []Yes []No []Don't know *F. Was a pest or dry rot, structural
 37 or "whole house" inspection done? When

1 and by whom was the inspection
2 completed?
3 Yes No Don't know *G. Since assuming ownership, has your
4 property had a problem with wood
5 destroying organisms and/or have there
6 been any problems with pest control,
7 infestations, or vermin?

8 **5. SYSTEMS AND FIXTURES**

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

- 12 Yes No Don't know *A. Electrical system, including
13 wiring, switches, outlets, and service
14 Yes No Don't know *B. Plumbing system, including pipes,
15 faucets, fixtures, and toilets
16 Yes No Don't know *C. Hot water tank
17 Yes No Don't know *D. Garbage disposal
18 Yes No Don't know *E. Appliances
19 Yes No Don't know *F. Sump pump
20 Yes No Don't know *G. Heating and cooling systems
21 Yes No Don't know *H. Security system Owned
22 Leased
23 *I. Other

24 **6. COMMON INTEREST**

- 25 Yes No Don't know A. Is there a Home Owners' Association?
26 Name of Association
27 Yes No Don't know B. Are there regular periodic
28 assessments:
29 \$ per Month Year
30 Other
31 Yes No Don't know *C. Are there any pending special
32 assessments?
33 Yes No Don't know *D. Are there any shared "common areas"
34 or any joint maintenance agreements
35 (facilities such as walls, fences,
36 landscaping, pools, tennis courts,
37 walkways, or other areas co-owned in
38 undivided interest with others)?

1 **7. GENERAL**

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

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

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

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

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

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

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

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

30 **8. FULL DISCLOSURE BY SELLERS**

31 A. Other conditions or defects:

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

36 B. Verification:

37 The foregoing answers and attached
38 explanations (if any) are complete and
39 correct to the best of my/our knowledge

1 and I/we have received a copy hereof.
2 I/we authorize all of my/our real
3 estate licensees, if any, to deliver a
4 copy of this disclosure statement to
5 other real estate licensees and all
6 prospective buyers of the property.

7 DATE SELLER SELLER

8 **II. BUYER'S ACKNOWLEDGMENT**

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

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

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

35 DATE BUYER BUYER

36 (2) The real property transfer disclosure statement shall be for
37 disclosure only, and shall not be considered part of any written
38 agreement between the buyer and seller of residential real property.

1 The real property transfer disclosure statement shall be only a
2 disclosure made by the seller, and not any real estate licensee
3 involved in the transaction, and shall not be construed as a warranty
4 of any kind by the seller or any real estate licensee involved in the
5 transaction.

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

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

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

33 (1) If, after the date that a seller of residential real property
34 completes a real property transfer disclosure statement, the seller
35 becomes aware of additional information, or an adverse change occurs
36 which makes any of the disclosures made inaccurate, the seller shall
37 amend the real property transfer disclosure statement, and deliver the

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

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

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

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

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

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

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

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

1 NEW SECTION. **Sec. 7.** Section 2 of this act shall apply to real
2 property transfer disclosure statements completed by sellers of
3 residential real property on or after the effective date of this act.
4 Real property transfer disclosure statements completed by sellers of
5 residential real property prior to the effective date of this act must
6 comply with requirements of RCW 64.06.020 in effect at the time the
7 transaction is started."

8 **SSB 5053** - H COMM AMD
9 By Committee on Trade & Economic Development

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11 On page 1, line 1 of the title, after "disclosure;" strike the
12 remainder of the title and insert "amending RCW 64.06.010, 64.06.020,
13 64.06.030, 64.06.040, 64.06.050, and 64.06.070; and providing an
14 effective date."

--- END ---