

# SENATE BILL REPORT

## SHB 1634

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As Reported By Senate Committee On:  
Financial Services, Insurance & Housing, April 3, 2003

**Title:** An act relating to the residential property seller disclosure statement.

**Brief Description:** Changing the residential property seller disclosure statement.

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

**Brief History:**

**Committee Activity:** Financial Services, Insurance & Housing: 3/27/03, 4/3/03 [DPA].

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### SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

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**Majority Report:** Do pass as amended.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Keiser, Prentice, Reardon and Roach.

**Staff:** Elizabeth Mitchell (786-7430)

**Background:** In a transaction for the sale of residential real property, the seller must complete a seller's disclosure form, unless the buyer waives the right to receive the form or the sale is specifically exempt from this requirement in law.

If sellers answer "yes" on certain questions on the seller's disclosure form, they must attach documents pertaining to these disclosures.

SSB 6364 was enacted into law in 2002. This bill provided that mobile or manufactured homes that are personal property qualify as real property for the purposes of the residential real property seller's disclosure form.

**Summary of Amended Bill:** If a residential real property seller's disclosure statement is being completed for new construction which has never been occupied, the seller is not required to complete the structural and systems and fixtures portions of the disclosure form.

If the seller does not give the buyer a completed disclosure statement, the buyer may waive the right to rescind the agreement prior to or after entering into a sales agreement.

The seller's disclosure form explicitly states provisions in current law that real estate licensees are not liable for inaccurate information given by the seller, unless they have knowledge that the information is inaccurate.

A new section on mobile/manufactured home disclosures is added to the disclosure form.

Sellers must disclose if a water source has provided an adequate supply of potable water during their ownership, not throughout the life of the home.

The terms "septic system" is replaced by the term "sewage system" several places on the form, and a question is added to section 3 of the form regarding monitoring and maintenance services of sewage systems.

If sellers answer "yes" on certain questions, they must attach documents pertaining to these disclosures if they are available and not otherwise publicly recorded.

Questions are added for disclosures on items such as siding, attic and basement insulation, security systems, radio towers, and satellite dishes. Sellers are asked to further explain their answers to several questions. Other nonsubstantive wording changes are made.

**Amended Bill Compared to Substitute Bill:** If the seller does not give the buyer a completed disclosure statement, then the buyer may waive the right to rescind the agreement prior to or after entering into a sale agreement. Language about defects readily known or ascertainable to the buyer is deleted from Section 9 of the form. The question, "Was a structural, pest or whole house inspection done?" is added. The question, "Are there any radio towers in the area that may cause interference with telephone reception?" is added.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This is mainly a housekeeping bill. The intention of the bill is that citizens of the state will be better served by this document. The language is agreed upon by interested parties.

**Testimony Against:** None.

**Testified:** Timothy Harris, BIAW (pro); Bob Mitchell, WA Assn. of Realtors (pro).