

SENATE BILL REPORT

SB 5642

As of February 19, 2003

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

Brief Description: Changing the residential property seller disclosure statement.

Sponsors: Senators Prentice, Roach, Reardon, Fairley, Esser and Winsley.

Brief History:

Committee Activity: Financial Services, Insurance & Housing: 2/20/03.

SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

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 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.

In Section 9 of the seller's disclosure form, sellers must disclose only those defects not readily apparent to the buyer. The introductory notice to buyers states that the seller is making disclosures based upon defects not apparent or readily ascertainable to the buyer.

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.

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

The phrase "during your ownership" is added to several questions in sections 2, 4, and 7 of the seller's disclosure form.

Sellers are not required to disclose the age of the home. Questions are added for disclosures on items such as siding, attic and basement insulation, security systems, and satellite dishes. Sellers are asked to further explain their answers to several questions. Other nonsubstantive wording changes are made.

Appropriation: None.

Fiscal Note: Not requested.

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