

# FINAL BILL REPORT

## SSB 5895

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### C 107 L 07

Synopsis as Enacted

**Brief Description:** Regarding sellers' disclosures for residential real property sales.

**Sponsors:** Senate Committee on Consumer Protection & Housing (originally sponsored by Senators Fraser, Swecker, Tom, Shin, Kline, McCaslin, Kilmer, Jacobsen, Delvin and Honeyford).

#### **Senate Committee on Consumer Protection & Housing** **House Committee on Commerce & Labor**

**Background:** A seller of residential land must provide a buyer with a disclosure statement about the property unless the buyer waives the right to receive it. This disclosure requirement only applies to land with one to four dwelling units, condominiums and timeshares, and manufactured or mobile homes that are personal property.

This disclosure form is specified in statute. The seller must check "yes", "no" or "don't know" in response to questions and may be required to explain some answers. The disclosures concern title water, sewer/septic systems, structural matters, systems and fixtures, common interest matters, and general matters.

If the seller fails to provide the required disclosure, the buyer may rescind the transaction until the transfer has closed. If the disclosure statement is delivered late, the buyer's right to rescind expires three days after the receipt of the statement.

Unimproved vacant land zoned for residential use is not subject to the seller disclosure statement requirement.

**Summary:** Sellers of improved and unimproved residential real property zoned for single-family dwelling units must complete a seller disclosure statement, unless they are otherwise exempt.

The general disclosure section is renamed environmental and the seller is asked whether the property has been used for commercial or industrial purposes; if there is any soil or ground water contamination; whether there are any transmission poles installed, maintained, or buried on the property; and whether the property has ever been used as a dumping site (legally or illegally).

Sellers must disclose whether there is a private road or easement for access to the property; whether any water rights (domestic or irrigation) are associated with the property, and if so, whether such rights have been assigned, transferred, or changed; or if any portion of the water rights have not been used for five or more successive years.

Exemptions from the seller disclosure statement are revised. A bank that has foreclosed on a property must provide a buyer with a completed seller disclosure statement, and if any of the

seller's answers are "yes" under the environmental section, the buyer may not waive receipt of the environmental section of the seller disclosure statement.

**Votes on Final Passage:**

Senate	39	9
House	94	1

**Effective:** July 22, 2007