

SENATE BILL REPORT

SB 5156

As Reported by Senate Committee On:
Commerce & Labor, January 28, 2015

Title: An act relating to the disclosure of information regarding elevators and other conveyances in certain real estate transactions.

Brief Description: Concerning the disclosure of information regarding elevators and other conveyances in certain real estate transactions.

Sponsors: Senators Keiser, Warnick and Conway.

Brief History:

Committee Activity: Commerce & Labor: 1/21/15, 1/28/15 [DPS].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 5156 be substituted therefor, and the substitute bill do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; Hasegawa, Ranking Minority Member; Conway, Keiser, King and Warnick.

Staff: Susan Jones (786-7404)

Background: Disclosure Statement Required in Real Estate Transfers. Generally a real estate seller must deliver a real property transfer disclosure statement to the buyer no later than five business days after mutual acceptance of a written purchase agreement. Within three business days of receipt of the disclosure statement, the buyer may approve and accept the disclosure statement or rescind the purchase agreement. If the disclosure statement is delivered late or not delivered, the buyer's right to rescind expires the earlier of three days after receipt of the disclosure statement or the date the transfer closes.

Disclosure Statement Questions. The disclosure statements are provided in statute for commercial, and unimproved and improved residential real property. Improved residential real property generally includes real property with one to four residential dwelling units, a condominium, a timeshare, or a mobile or manufactured home. The disclosure statement provides a number of specific questions requiring the seller to respond by checking yes, no, or don't know, and to provide some explanations. Although a general question asks whether there are any other existing material defects affecting the property that a prospective buyer

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should know about, there are no specific questions about elevators or other types of elevating devices, such as stairway chair lifts, or wheelchair lifts.

Elevator Regulation. The Department of Labor and Industries (L&I) regulates conveyances, which include elevators and other elevating devices. L&I must inspect all new, altered, or relocated conveyances operated exclusively for single-family use in private residences, and permits are required. Annual inspections are not required for private residence conveyances operated exclusively for single-family use unless the owner requests the inspection.

Summary of Bill (Recommended Substitute): In the structural section of the seller's real property transfer disclosure statement for improved residential real property, there is a list of items and the seller must check the box next to any defective items and provided an explanation. Elevators, incline elevators, stairway chair lifts, and wheelchair lifts are to the list of items.

EFFECT OF CHANGES MADE BY COMMERCE & LABOR COMMITTEE (Recommended Substitute): Removes the questions regarding permits and inspections for elevators, incline elevators, stairway chair lifts, and wheelchair lifts; moves the question of defects to the list of check-the-box items in Section 4 of the disclosure statement; and adds a section making the act effective only for purchase and sale agreements entered into after the effective date.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill is simply a disclosure to a potential purchaser. There is a growing number of residential conveyances. There are around 4000 wheelchair lifts and chair lifts and almost 2500 residential elevators disclosed to L&I. Chair lifts being sold online are being put into private homes without much oversight or inspection even though law requires inspection. There are no disclosures on the sale of homes about whether there are defects, permits, or inspections. These devices can do serious harm if they malfunction. There is concern that public safety is at risk if we don't do something to alert the public to this potential risk. The issue of whether there should be point of sale inspections came before the Elevator Advisory Committee after there was a death of a boy on a residential elevator. There are a number of accidents and serious injuries on residential elevators.

CON: The bill in this format is opposed. If personal conveyance devices warrant consideration in the seller disclosure form, the disclosure should be added to the form in section 4 with other systems and fixtures and ask the owner to disclose if there are defects with the device rather the several questions in the bill. The disclosure fits better in section 4 of the disclosure.

Persons Testifying: PRO: Senator Keiser, prime sponsor, Swen Larson, Elevators Constructor's Union, Alternate on Elevator Advisory Committee.

CON: Bob Mitchell, WA Assn. of Realtors.