
SUBSTITUTE HOUSE BILL 2795

State of Washington

53rd Legislature

1994 Regular Session

By House Committee on Local Government (originally sponsored by Representatives Peery, H. Myers and Zellinsky)

Read first time 02/04/94.

1 AN ACT Relating to real estate disclosures; amending RCW 36.21.080;
2 adding a new section to chapter 19.27 RCW; adding a new section to
3 chapter 48.29 RCW; and adding a new chapter to Title 64 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** This chapter applies only to residential
6 real property. For purposes of this chapter, residential real property
7 means:

8 (1) Real property consisting of, or improved by, one to four
9 dwelling units;

10 (2) A residential condominium as defined in RCW 64.34.020(9),
11 unless the sale is subject to the public offering statement requirement
12 in the Washington condominium act, chapter 64.34 RCW; and

13 (3) A residential timeshare, as defined in RCW 64.36.010(11),
14 unless subject to written disclosure under the Washington timeshare
15 act, chapter 64.36 RCW.

16 NEW SECTION. **Sec. 2.** This chapter does not apply to the following
17 transfers of residential real property:

- 1 (1) A foreclosure, deed-in-lieu of foreclosure, or a sale by a
- 2 lienholder who acquired the residential real property through
- 3 foreclosure or deed-in-lieu of foreclosure;
- 4 (2) A gift or other transfer to a family member;
- 5 (3) A transfer between spouses in connection with a marital
- 6 dissolution;
- 7 (4) A transfer where a buyer had an ownership interest in the
- 8 property within two years of the date of the transfer; and
- 9 (5) The granting of a lien encumbering the property.

10 NEW SECTION. **Sec. 3.** (1) In a transaction for the sale of
11 residential real property, the seller shall, unless the transfer is
12 exempt under section 2 of this act, deliver to the buyer a completed
13 real property transfer disclosure statement in the following form:

14 INSTRUCTIONS TO THE SELLER

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

24 NOTICE TO THE BUYER

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

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

1 THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A
2 PART OF ANY WRITTEN AGREEMENT BETWEEN THE BUYER AND 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

1
2
3 Yes No Don't know

been used during the last five-year period?
*(3) If so, is the certificate available?

5
6 Yes No Don't know
7
8 Yes No Don't know
9

C. Outdoor Sprinkler System
(1) Is there an outdoor sprinkler system for the property?
*(2) Are there any defects in the outdoor sprinkler system?

3. SEWER/SEPTIC SYSTEM

11
12
13
14
15
16 Yes No Don't know

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

17
18

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

19
20
21 Yes No Don't know

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

22
23
24

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

25
26
27 Yes No Don't know

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

28
29 Don't know

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

30
31
32 Don't know

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

33
34
35 Yes No Don't know

By Whom:

36
37
38 Yes No Don't know

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

*D. Do all plumbing fixtures, including laundry drain, go to the septic/sewer system? If no, explain:

*E. Are you aware of any changes or repairs to the septic system?

1 []Yes []No []Don't know F. Is the septic tank system, including
2 the drainfield, located entirely within
3 the boundaries of the property?

4 **4. STRUCTURAL**

5 []Yes []No []Don't know *A. Has the roof leaked?
6 []Yes []No []Don't know If yes, has it been repaired?

7 []Yes []No []Don't know *B. Have there been any conversions,
8 additions, or remodeling?

9 []Yes []No []Don't know *1. If yes, were all building
10 permits obtained?

11 []Yes []No []Don't know *2. If yes, were all final
12 inspections obtained?

13 []Yes []No []Don't know C. Do you know the age of the house?
14 If yes, year of original construction:

15

16 []Yes []No []Don't know *D. Do you know of any settling,
17 slippage, or sliding of the house or
18 other improvements? If yes, explain:

19

20 []Yes []No []Don't know *E. Do you know of any defects with the
21 following: (Please check applicable
22 items)

- | | | | |
|----|--|---|---|
| 23 | <input type="checkbox"/> Foundations | <input type="checkbox"/> Decks | <input type="checkbox"/> Exterior Walls |
| 24 | <input type="checkbox"/> Chimneys | <input type="checkbox"/> Interior Walls | <input type="checkbox"/> Fire Alarm |
| 25 | <input type="checkbox"/> Doors | <input type="checkbox"/> Windows | <input type="checkbox"/> Patio |
| 26 | <input type="checkbox"/> Ceilings | <input type="checkbox"/> Slab Floors | <input type="checkbox"/> Driveways |
| 27 | <input type="checkbox"/> Pools | <input type="checkbox"/> Hot Tub | <input type="checkbox"/> Sauna |
| 28 | <input type="checkbox"/> Sidewalks | <input type="checkbox"/> Outbuildings | <input type="checkbox"/> Fireplaces |
| 29 | <input type="checkbox"/> Garage Floors | | <input type="checkbox"/> Walkways |
| 30 | <input type="checkbox"/> Other | | <input type="checkbox"/> Wood Stoves |

31 []Yes []No []Don't know *F. Was a pest or dry rot, structural
32 or "whole house" inspection done? When
33 and by whom was the inspection
34 completed?

35 []Yes []No []Don't know *G. Since assuming ownership, has your
36 property had a problem with wood
37 destroying organisms and/or have there

1 []Yes []No []Don't know *B. Does the property contain fill
2 material?
3 []Yes []No []Don't know *C. Is there any material damage to the
4 property or any of the structure from
5 fire, wind, floods, beach movements,
6 earthquake, expansive soils, or
7 landslides?
8 []Yes []No []Don't know D. Is the property in a designated
9 flood plain?
10 []Yes []No []Don't know E. Is the property in a designated
11 hazard zone?
12 []Yes []No []Don't know *F. Are there any substances,
13 materials, or products that may be an
14 environmental hazard such as, but not
15 limited to, asbestos, formaldehyde,
16 radon gas, lead-based paint, fuel or
17 chemical storage tanks, and
18 contaminated soil or water on the
19 subject property?
20 []Yes []No []Don't know *G. Are there any tanks or underground
21 storage tanks (e.g., chemical, fuel,
22 etc.) on the property?
23 []Yes []No []Don't know *H. Has the property ever been used as
24 an illegal drug manufacturing site?

25 **8. FULL DISCLOSURE BY SELLERS**

26 A. Other conditions or defects:
27 []Yes []No []Don't know *Are there any other material defects
28 affecting this property or its value
29 that a prospective buyer should know
30 about?
31 B. Verification:
32 The foregoing answers and attached
33 explanations (if any) are complete and
34 correct to the best of my/our knowledge
35 and I/we have received a copy hereof.
36 I/we authorize all of my/our real
37 estate licensees, if any, to deliver a
38 copy of this disclosure statement to

1 other real estate licensees and all
2 prospective buyers of the property.

3 DATE SELLER SELLER

4 **II. BUYER'S ACKNOWLEDGMENT**

5 A. As buyer(s), I/we acknowledge the duty to pay
6 diligent attention to any material defects which
7 are known to me/us or can be known to me/us by
8 utilizing diligent attention and observation.

9 B. Each buyer acknowledges and understands that the
10 disclosures set forth in this statement and in
11 any amendments to this statement are made only by
12 the seller.

13 C. Buyer (which term includes all persons signing
14 the "buyer's acceptance" portion of this
15 disclosure statement below) hereby acknowledges
16 receipt of a copy of this disclosure statement
17 (including attachments, if any) bearing seller's
18 signature.

19 DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE
20 BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME OF
21 DISCLOSURE. YOU, THE BUYER, HAVE . . . BUSINESS DAYS (OR THREE
22 BUSINESS DAYS IF NOT FILLED IN) FROM THE SELLER'S DELIVERY OF THIS
23 SELLER'S DISCLOSURE STATEMENT TO REVOKE YOUR OFFER BY DELIVERING YOUR
24 SEPARATE SIGNED WRITTEN STATEMENT OF REVOCATION TO THE SELLER UNLESS
25 YOU WAIVE THIS RIGHT OF REVOCATION.

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

30 DATE BUYER BUYER

31 (2) The real property transfer disclosure statement shall be for
32 disclosure only and shall not be considered part of any written
33 agreement between the buyer and seller of residential real property.
34 The real property transfer disclosure statement shall be a disclosure
35 made only by the seller, and not any real estate licensee involved in
36 the transaction, and shall not be construed as a warranty of any kind
37 by the seller or any real estate licensee involved in the transaction.

1 NEW SECTION. **Sec. 4.** Within five business days, or as otherwise
2 agreed to, of mutual acceptance of a written agreement between a buyer
3 and a seller for the purchase and sale of residential real property,
4 the seller shall deliver to the buyer a completed, signed, and dated
5 real property transfer disclosure statement. Within three business
6 days, or as otherwise agreed to, of receipt of the real property
7 transfer disclosure statement, the buyer shall have the right to
8 exercise one of the following two options: (1) Approving and accepting
9 the real property transfer disclosure statement; or (2) rescinding the
10 agreement for the purchase and sale of the property. If the buyer
11 elects to rescind the agreement, the buyer must deliver written notice
12 of rescission to the seller within the three-business-day period, or as
13 otherwise agreed to, and upon delivery of the written rescission notice
14 the buyer shall be entitled to immediate return of all deposits and
15 other considerations less any agreed disbursements paid to the seller,
16 or to the seller's agent or an escrow agent for the seller's account,
17 and the agreement for purchase and sale shall be void. If the buyer
18 does not deliver a written rescission notice to seller within the three-
19 business-day period, or as otherwise agreed to, the real property
20 transfer disclosure statement will be deemed approved and accepted by
21 the buyer.

22 NEW SECTION. **Sec. 5.** (1) If, after the date that a seller of
23 residential real property completes a real property transfer disclosure
24 statement, the seller becomes aware of additional information, or an
25 adverse change occurs, which makes any of the disclosures made
26 inaccurate, the seller shall amend the real property transfer
27 disclosure statement, and deliver the amendment to the buyer. No
28 amendment is required, however, if the seller takes whatever corrective
29 action is necessary so that the accuracy of the disclosures is restored
30 prior to the closing date. Unless the adverse change is corrected or
31 repaired by the seller prior to the closing date, the buyer shall have
32 the right to exercise one of the following two options: (a) Approving
33 and accepting the amendment, or (b) rescinding the agreement of
34 purchase and sale of the property within three business days after
35 receiving the amended real property transfer disclosure statement.
36 Acceptance or rescission shall be subject to the same procedures
37 described in section 4 of this act. If the closing date provided in
38 the purchase and sale agreement is scheduled to occur within the three-

1 day rescission period provided for in this section, the closing date
2 shall be extended until the expiration of the three-day rescission
3 period. The buyer shall have no right of rescission if the seller
4 corrects or repairs the adverse change prior the closing date.

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

11 (3) If the seller in a residential real property transfer fails or
12 refuses to provide to the prospective buyer a real property transfer
13 disclosure statement as required under this chapter, the prospective
14 buyer's right of rescission under this section shall apply until the
15 transfer has closed, unless the buyer has otherwise waived the right of
16 rescission in writing. Closing is deemed to occur when the buyer has
17 paid the purchase price, or down payment, and the conveyance document,
18 including a deed or real estate contract, from the seller has been
19 delivered and recorded. After closing, the seller's obligation to
20 deliver the real property transfer disclosure statement and the buyer's
21 rights and remedies under this chapter shall terminate.

22 NEW SECTION. Sec. 6. (1) The seller of residential real property
23 shall not be liable for any error, inaccuracy, or omission in the real
24 property transfer disclosure statement if the seller had no personal
25 knowledge of the error, inaccuracy, or omission, or if the disclosure
26 was based on information provided by public agencies, or by other
27 persons providing information within the scope of their professional
28 license or expertise, including, but not limited to, a report or
29 opinion delivered by a land surveyor, structural inspector, pest
30 inspector, licensed engineer, or contractor.

31 (2) Any licensed real estate salesperson or broker involved in a
32 residential real property transaction is not liable for any error,
33 inaccuracy, or omission in the real property transfer disclosure
34 statement if the licensee had no personal knowledge of the error,
35 inaccuracy, or omission, or if the disclosure was based on information
36 provided by public agencies, or by other persons providing information
37 within the scope of their professional license or expertise, including,

1 but not limited to, a report or opinion delivered by a land surveyor,
2 structural inspector, pest inspector, licensed engineer, or contractor.

3 NEW SECTION. **Sec. 7.** The legislature finds that the practices
4 covered by this chapter are not matters vitally affecting the public
5 interest for the purpose of applying the consumer protection act,
6 chapter 19.86 RCW.

7 NEW SECTION. **Sec. 8.** Any action based upon the contents of a real
8 property transfer disclosure statement, or otherwise alleging a
9 violation of this chapter, shall be commenced within one year of the
10 date of closing of the sale of residential real property.

11 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act shall
12 constitute a new chapter in Title 64 RCW.

13 **Sec. 10.** RCW 36.21.080 and 1989 c 246 s 4 are each amended to read
14 as follows:

15 (1) The county assessor is authorized to place any property that is
16 increased in value due to construction or alteration for which a
17 building permit was issued, or should have been issued, under chapter
18 19.27, 19.27A, or 19.28 RCW or other laws providing for building
19 permits on the assessment rolls for the purposes of tax levy up to
20 August 31st of each year. The assessed valuation of the property shall
21 be considered as of July 31st of that year.

22 (2) In conducting a physical appraisal under RCW 36.21.070 or
23 subsection (1) of this section, the county assessor shall notify the
24 local building official of any increase in the size of the building,
25 and any other significant modifications that are apparent from an
26 exterior inspection of the building, since the last physical appraisal.

27 NEW SECTION. **Sec. 11.** A new section is added to chapter 19.27 RCW
28 to read as follows:

29 A copy of any verification of final inspection issued upon
30 completion of construction or alteration work on a single or
31 multifamily residential building shall be transmitted by the issuing
32 authority to the county auditor of the county where the property on
33 which the construction or alteration work is located to be recorded in

1 the real property records. The verification of final inspection shall
2 contain the county assessor's parcel number.

3 NEW SECTION. **Sec. 12.** A new section is added to chapter 48.29 RCW
4 to read as follows:

5 The existence of verifications of final inspection that are
6 recorded pursuant to section 11 of this act shall be disclosed as an
7 attachment to every title insurance report provided to the purchasers
8 of real property. Nothing in this section requires a title insurer to
9 include such verifications within the coverage provided under a title
10 insurance contract.

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