

SENATE BILL REPORT

EHB 1323

As of March 14, 1995

Title: An act relating to an exemption for new construction from seller's disclosure requirements.

Brief Description: Exempting new construction from seller's disclosure requirements.

Sponsors: Representatives Cairnes, Hargrove and Sherstad.

Brief History:

Committee Activity: Government Operations: 3/22/95.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Staff: Rod McAulay (786-7754)

Background: In 1994, the Legislature enacted a requirement that a disclosure statement is provided as part of a residential real property sale. Within five days of the signing of an agreement for the purchase and sale of a residential property, the seller must provide to the buyer a real property transfer disclosure statement on a prescribed form. The prescribed form requires disclosure, based upon the seller's personal knowledge, of matters relating to title, water sources and systems, sewer/septic systems, structural concerns, mechanical systems, community associations, and geographical hazards such as flooding. Within three days of receipt, or other agreed duration of time, the buyer must either accept the disclosure statement or give written notice of rescission of the agreement for purchase.

The law provides an exemption from the disclosure requirements for specific real property transactions. Transfers among family members, by decedent's estates or bankruptcy estates, among common owners, by lienholders, by sheriff's sale or other foreclosure sale, and transfers of less than a fee-simple interest other than the transfer of a beneficial interest under a real estate contract are exempt from the disclosure requirements.

Summary of Bill: The transfer of new residential construction, if the seller is a registered contractor, and if the buyer is the first purchaser and occupant, is exempt from disclosure requirements.

Appropriation: None.

Fiscal Note: Not Requested.

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