

SENATE BILL REPORT

SB 5475

As of February 9, 1995

Title: An act relating to condominiums.

Brief Description: Regulating the sale of condominiums.

Sponsors: Senators Kohl, Smith, C. Anderson, Heavey and Snyder.

Brief History:

Committee Activity: Law & Justice: 2/16/95.

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Dick Armstrong (786-7460)

Background: The Washington Condominium Act was enacted in 1989 based on the recommendations of a task force created by the Legislature. The task force addressed a multitude of problems associated with selling, purchasing, and maintaining condominiums.

One feature of the act is the public offering statement, which requires developers of condominiums to provide an extensive series of disclosures to buyers. One of the provisions in the public offering statement is a notice that states a buyer cannot rely on any representation of a developer or the developer's agent unless it is in writing. Another statute provides that any expressed warranties by a seller have to be in writing.

Concern has been expressed that purchasers of condominiums often rely on oral statements of real estate agents and such statements may be misleading or fraudulent. It is suggested that purchasers of condominiums be given the right to collect damages from real estate sales persons for material misrepresentations.

Summary of Bill: A real estate salesperson or broker involved in the sale of a condominium unit may be found liable for damages to a purchaser of the condominium unit for material misrepresentations made orally or in writing that the salesperson or broker knows, or reasonably should know, are false.

Appropriation: None.

Fiscal Note: Not requested.

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