

A-Engrossed House Bill 2140

Ordered by the House March 23
Including House Amendments dated March 23

Sponsored by Representative BOONE (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires seller of real property to disclose seismic risk in seller's property disclosure statement.

A BILL FOR AN ACT

Relating to seller's property disclosure of seismic risk; creating new provisions; and amending ORS 105.464.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 105.464 is amended to read:

105.464. A seller's property disclosure statement must be in substantially the following form:

If required under ORS 105.465, a seller shall deliver in substantially the following form the seller's property disclosure statement to each buyer who makes a written offer to purchase real property in this state:

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. Please refer to the line number(s) of the question(s) when you provide your explanation(s). If you are not claiming an exclusion or refusing to provide the form under ORS 105.475 (4), you should date and sign each page of this disclosure statement and each attachment.

Each seller of residential property described in ORS 105.465 must deliver this form to each buyer who makes a written offer to purchase. Under ORS 105.475 (4), refusal to provide this form gives the buyer the right to revoke their offer at any time prior to closing the transaction. Use only the section(s) of the form that apply to the transaction for which the form is used. If you are claiming an exclusion under ORS 105.470, fill out only Section 1.

An exclusion may be claimed only if the seller qualifies for the exclusion under the law. If not excluded, the seller must disclose the condition of the property or the buyer may revoke their offer

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 to purchase anytime prior to closing the transaction. Questions regarding the legal consequences
2 of the seller's choice should be directed to a qualified attorney.

3 _____
4
5 **(DO NOT FILL OUT THIS SECTION UNLESS YOU ARE CLAIMING AN EXCLUSION**
6 **UNDER ORS 105.470)**

7
8 **Section 1. EXCLUSION FROM ORS 105.462 TO 105.490:**

9
10 You may claim an exclusion under ORS 105.470 only if you qualify under the statute. If you are not
11 claiming an exclusion, you must fill out Section 2 of this form completely.

12
13 Initial only the exclusion you wish to claim.

14
15 _____ This is the first sale of a dwelling never occupied. The dwelling is constructed or installed
16 under building or installation permit(s) #_____, issued by _____.

17
18 _____ This sale is by a financial institution that acquired the property as custodian, agent or
19 trustee, or by foreclosure or deed in lieu of foreclosure.

20
21 _____ The seller is a court appointed receiver, personal representative, trustee, conservator or
22 guardian.

23
24 _____ This sale or transfer is by a governmental agency.

25
26 _____
27 Signature(s) of Seller claiming exclusion
28 Date _____

29
30 _____
31 Buyer(s) to acknowledge Seller's claim
32 Date _____

33 _____
34
35
36 **(IF YOU DID NOT CLAIM AN EXCLUSION IN SECTION 1, YOU MUST FILL OUT THIS SEC-**
37 **TION.)**

38
39 **Section 2. SELLER'S PROPERTY DISCLOSURE STATEMENT**

40
41 **(NOT A WARRANTY)**
42 **(ORS 105.464)**

43
44 **NOTICE TO THE BUYER: THE FOLLOWING REPRESENTATIONS ARE MADE BY THE**
45 **SELLER(S) CONCERNING THE CONDITION OF THE PROPERTY LOCATED**

1 AT _____ (“THE PROPERTY”).

2

3 DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE BASIS
4 OF SELLER’S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME OF DISCLOSURE.
5 BUYER HAS FIVE DAYS FROM THE SELLER’S DELIVERY OF THIS SELLER’S DISCLOSURE
6 STATEMENT TO REVOKE BUYER’S OFFER BY DELIVERING BUYER’S SEPARATE SIGNED
7 WRITTEN STATEMENT OF REVOCATION TO THE SELLER DISAPPROVING THE SELLER’S
8 DISCLOSURE STATEMENT, UNLESS BUYER WAIVES THIS RIGHT AT OR PRIOR TO ENTER-
9 ING INTO A SALE AGREEMENT.

10

11 FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS
12 PROPERTY, BUYER IS ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF A QUALIFIED
13 SPECIALIST TO INSPECT THE PROPERTY ON BUYER’S BEHALF INCLUDING, FOR EXAM-
14 PLE, ONE OR MORE OF THE FOLLOWING: ARCHITECTS, ENGINEERS, PLUMBERS,
15 ELECTRICIANS, ROOFERS, ENVIRONMENTAL INSPECTORS, BUILDING INSPECTORS, CER-
16 TIFIED HOME INSPECTORS, OR PEST AND DRY ROT INSPECTORS.

17

18 Seller _____ is/ _____ is not occupying the property.

19

20 I. SELLER’S REPRESENTATIONS:

21

22 The following are representations made by the seller and are not the representations of any finan-
23 cial institution that may have made or may make a loan pertaining to the property, or that may
24 have or take a security interest in the property, or any real estate licensee engaged by the seller
25 or the buyer.

26

27 *If you mark yes on items with *, attach a copy or explain on an attached sheet.

28

29 1. TITLE

30 A. Do you have legal authority to sell the property? []Yes []No []Unknown

31 *B. Is title to the property subject to any of the

32 following: []Yes []No []Unknown

33 (1) First right of refusal

34 (2) Option

35 (3) Lease or rental agreement

36 (4) Other listing

37 (5) Life estate?

38 *C. Is the property being transferred an

39 unlawfully established unit of land? []Yes []No []Unknown

40 *D. Are there any encroachments, boundary

41 agreements, boundary disputes or recent

42 boundary changes? []Yes []No []Unknown

43 *E. Are there any rights of way, easements,

44 licenses, access limitations or claims that

45 may affect your interest in the property? []Yes []No []Unknown

- 1 *F. Are there any agreements for joint
 2 maintenance of an easement or right of way? []Yes []No []Unknown
- 3 *G. Are there any governmental studies, designations,
 4 zoning overlays, surveys or notices that would
 5 affect the property? []Yes []No []Unknown
- 6 *H. Are there any pending or existing governmental
 7 assessments against the property? []Yes []No []Unknown
- 8 *I. Are there any zoning violations or
 9 nonconforming uses? []Yes []No []Unknown
- 10 *J. Is there a boundary survey for the
 11 property? []Yes []No []Unknown
- 12 *K. Are there any covenants, conditions,
 13 restrictions or private assessments that
 14 affect the property? []Yes []No []Unknown
- 15 *L. Is the property subject to any special tax
 16 assessment or tax treatment that may result
 17 in levy of additional taxes if the property
 18 is sold? []Yes []No []Unknown
- 19
- 20 2. WATER
- 21 A. Household water
- 22 (1) The source of the water is (check ALL that apply):
 23 []Public []Community []Private
 24 []Other _____
- 25 (2) Water source information:
- 26 *a. Does the water source require a water permit? []Yes []No []Unknown
 27 If yes, do you have a permit? []Yes []No
- 28 b. Is the water source located on the property? []Yes []No []Unknown
 29 *If not, are there any written agreements for
 30 a shared water source? []Yes []No []Unknown []NA
- 31 *c. Is there an easement (recorded or unrecorded)
 32 for your access to or maintenance of the water
 33 source? []Yes []No []Unknown
- 34 d. If the source of water is from a well or spring,
 35 have you had any of the following in the past
 36 12 months? []Flow test []Bacteria test
 37 []Chemical contents test []Yes []No []Unknown []NA
- 38 *e. Are there any water source plumbing problems
 39 or needed repairs? []Yes []No []Unknown
- 40 (3) Are there any water treatment systems for
 41 the property? []Yes []No []Unknown
 42 []Leased []Owned
- 43 B. Irrigation
- 44 (1) Are there any [] water rights or [] other
 45 irrigation rights for the property? []Yes []No []Unknown

- 1 *(2) If any exist, has the irrigation water been
2 used during the last five-year period? []Yes []No []Unknown []NA
- 3 *(3) Is there a water rights certificate or other
4 written evidence available? []Yes []No []Unknown []NA
- 5 C. Outdoor sprinkler system
- 6 (1) Is there an outdoor sprinkler system for the
7 property? []Yes []No []Unknown
- 8 (2) Has a back flow valve been installed? []Yes []No []Unknown []NA
- 9 (3) Is the outdoor sprinkler system operable? []Yes []No []Unknown []NA
- 10
- 11 3. SEWAGE SYSTEM
- 12 A. Is the property connected to a public or
13 community sewage system? []Yes []No []Unknown
- 14 B. Are there any new public or community sewage
15 systems proposed for the property? []Yes []No []Unknown
- 16 C. Is the property connected to an on-site septic
17 system? []Yes []No []Unknown
- 18 (1) If yes, when was the system installed? _____ []Unknown []NA
- 19 (2) *If yes, was the system installed by permit? []Yes []No []Unknown []NA
- 20 (3) *Has the system been repaired or altered? []Yes []No []Unknown
- 21 (4) *Has the condition of the system been
22 evaluated and a report issued? []Yes []No []Unknown
- 23 (5) Has the septic tank ever been pumped?
24 If yes, when? _____ []NA
- 25 (6) Does the system have a pump? []Yes []No []Unknown
- 26 (7) Does the system have a treatment unit such
27 as a sand filter or an aerobic unit? []Yes []No []Unknown
- 28 (8) *Is a service contract for routine
29 maintenance required for the system? []Yes []No []Unknown
- 30 (9) Are all components of the system located on
31 the property? []Yes []No []Unknown
- 32 D. *Are there any sewage system problems or
33 needed repairs? []Yes []No []Unknown
- 34 E. Does your sewage system require on-site
35 pumping to another level? []Yes []No []Unknown
- 36
- 37 4. DWELLING INSULATION
- 38 A. Is there insulation in the:
- 39 (1) Ceiling? []Yes []No []Unknown
- 40 (2) Exterior walls? []Yes []No []Unknown
- 41 (3) Floors? []Yes []No []Unknown
- 42 B. Are there any defective insulated doors or
43 windows? []Yes []No []Unknown
- 44
- 45 5. DWELLING STRUCTURE

- 1 *A. Has the roof leaked?]Yes]No]Unknown
 2 If yes, has it been repaired?]Yes]No]Unknown]NA
 3 B. Are there any additions, conversions or
 4 remodeling?]Yes]No]Unknown
 5 If yes, was a building permit required?]Yes]No]Unknown]NA
 6 If yes, was a building permit obtained?]Yes]No]Unknown]NA
 7 If yes, was final inspection obtained?]Yes]No]Unknown]NA
 8 C. Are there smoke alarms or detectors?]Yes]No]Unknown
 9 D. Are there carbon monoxide alarms?]Yes]No]Unknown
 10 E. Is there a woodstove or fireplace
 11 insert included in the sale?]Yes]No]Unknown
 12 *If yes, what is the make? _____
 13 *If yes, was it installed with a permit?]Yes]No]Unknown
 14 *If yes, is a certification label issued by the
 15 United States Environmental Protection
 16 Agency (EPA) or the Department of
 17 Environmental Quality (DEQ) affixed to it?]Yes]No]Unknown
 18 *F. Has pest and dry rot, structural or
 19 "whole house" inspection been done
 20 within the last three years?]Yes]No]Unknown
 21 *G. Are there any moisture problems, areas of water
 22 penetration, mildew odors or other moisture
 23 conditions (especially in the basement)?]Yes]No]Unknown
 24 *If yes, explain on attached sheet the frequency
 25 and extent of problem and any insurance claims,
 26 repairs or remediation done.
 27 H. Is there a sump pump on the property?]Yes]No]Unknown
 28 I. Are there any materials used in the
 29 construction of the structure that are or
 30 have been the subject of a recall, class
 31 action suit, settlement or litigation?]Yes]No]Unknown
 32 If yes, what are the materials? _____
 33 (1) Are there problems with the materials?]Yes]No]Unknown]NA
 34 (2) Are the materials covered by a warranty?]Yes]No]Unknown]NA
 35 (3) Have the materials been inspected?]Yes]No]Unknown]NA
 36 (4) Have there ever been claims filed for these
 37 materials by you or by previous owners?]Yes]No]Unknown]NA
 38 If yes, when? _____
 39 (5) Was money received?]Yes]No]Unknown]NA
 40 (6) Were any of the materials repaired or
 41 replaced?]Yes]No]Unknown]NA
 42
 43 6. DWELLING SYSTEMS AND FIXTURES
 44 If the following systems or fixtures are included
 45 in the purchase price, are they in good working

- 1 order on the date this form is signed?
- 2 A. Electrical system, including wiring, switches,
3 outlets and service]Yes]No]Unknown
- 4 B. Plumbing system, including pipes, faucets,
5 fixtures and toilets]Yes]No]Unknown
- 6 C. Water heater tank]Yes]No]Unknown
- 7 D. Garbage disposal]Yes]No]Unknown]NA
- 8 E. Built-in range and oven]Yes]No]Unknown]NA
- 9 F. Built-in dishwasher]Yes]No]Unknown]NA
- 10 G. Sump pump]Yes]No]Unknown]NA
- 11 H. Heating and cooling systems]Yes]No]Unknown]NA
- 12 I. Security system]Owned]Leased]Yes]No]Unknown]NA
- 13 J. Are there any materials or products used in
14 the systems and fixtures that are or have
15 been the subject of a recall, class action
16 **suit** settlement or [*other litigations*]
17 **litigation**?]Yes]No]Unknown
18 If yes, what product? _____
- 19 (1) Are there problems with the product?]Yes]No]Unknown
- 20 (2) Is the product covered by a warranty?]Yes]No]Unknown
- 21 (3) Has the product been inspected?]Yes]No]Unknown
- 22 (4) Have claims been filed for this product
23 by you or by previous owners?]Yes]No]Unknown
24 If yes, when? _____
- 25 (5) Was money received?]Yes]No]Unknown
- 26 (6) Were any of the materials or products repaired
27 or replaced?]Yes]No]Unknown
- 28
- 29 7. COMMON INTEREST
- 30 A. Is there a Home Owners' Association
31 or other governing entity?]Yes]No]Unknown
32 Name of Association or Other Governing
33 Entity _____
34 Contact Person _____
35 Address _____
36 Phone Number _____
- 37 B. Regular periodic assessments: \$_____
- 38 per]Month]Year]Other _____
- 39 *C. Are there any pending or proposed special
40 assessments?]Yes]No]Unknown
- 41 D. Are there shared "common areas" or joint
42 maintenance agreements for facilities like
43 walls, fences, pools, tennis courts, walkways
44 or other areas co-owned in undivided interest
45 with others?]Yes]No]Unknown

- 1 E. Is the Home Owners' Association or other
 2 governing entity a party to pending litigation
 3 or subject to an unsatisfied judgment? []Yes []No []Unknown []NA
 4 F. Is the property in violation of recorded
 5 covenants, conditions and restrictions or in
 6 violation of other bylaws or governing rules,
 7 whether recorded or not? []Yes []No []Unknown []NA
 8
 9 [8. *GENERAL*]
 10 **8. SEISMIC**
 11 **Was the house constructed before 1974?** []Yes []No []Unknown
 12 **If yes, has the house been bolted to its**
 13 **foundation?** []Yes []No []Unknown
 14
 15 **9. GENERAL**
 16 A. Are there problems with settling, soil,
 17 standing water or drainage on the property
 18 or in the immediate area? []Yes []No []Unknown
 19 B. Does the property contain fill? []Yes []No []Unknown
 20 C. Is there any material damage to the property or
 21 any of the structure(s) from fire, wind, floods,
 22 beach movements, earthquake, expansive soils
 23 or landslides? []Yes []No []Unknown
 24 D. Is the property in a designated floodplain? []Yes []No []Unknown
 25 E. Is the property in a designated slide or other
 26 geologic hazard zone? []Yes []No []Unknown
 27 *F. Has any portion of the property been tested
 28 or treated for asbestos, formaldehyde, radon
 29 gas, lead-based paint, mold, fuel or chemical
 30 storage tanks or contaminated soil or water? []Yes []No []Unknown
 31 G. Are there any tanks or underground storage
 32 tanks (e.g., septic, chemical, fuel, etc.)
 33 on the property? []Yes []No []Unknown
 34 H. Has the property ever been used as an illegal
 35 drug manufacturing or distribution site? []Yes []No []Unknown
 36 *If yes, was a Certificate of Fitness issued? []Yes []No []Unknown
 37 *I. Has the property been classified as
 38 forestland-urban interface? []Yes []No []Unknown
 39
 40 [9. *FULL DISCLOSURE BY SELLERS*]
 41 **10. FULL DISCLOSURE BY SELLERS**
 42 *A. Are there any other material defects affecting
 43 this property or its value that a prospective
 44 buyer should know about? []Yes []No
 45 *If yes, describe the defect on attached sheet and

1 explain the frequency and extent of the problem
2 and any insurance claims, repairs or remediation.

3 B. Verification:

4 The foregoing answers and attached explanations (if any) are complete and correct to
5 the best of my/our knowledge and I/we have received a copy of this disclosure statement.
6 I/we authorize my/our agents to deliver a copy of this disclosure statement to all
7 prospective buyers of the property or their agents.

8
9 Seller(s) signature:

10
11 SELLER _____ DATE _____

12
13 SELLER _____ DATE _____
14 _____

15
16
17 II. BUYER'S ACKNOWLEDGMENT

18
19 A. As buyer(s), I/we acknowledge the duty to pay diligent attention to any material defects that are
20 known to me/us or can be known by me/us by utilizing diligent attention and observation.

21
22 B. Each buyer acknowledges and understands that the disclosures set forth in this statement and in
23 any amendments to this statement are made only by the seller and are not the representations of
24 any financial institution that may have made or may make a loan pertaining to the property, or that
25 may have or take a security interest in the property, or of any real estate licensee engaged by the
26 seller or buyer. A financial institution or real estate licensee is not bound by and has no liability
27 with respect to any representation, misrepresentation, omission, error or inaccuracy contained in
28 another party's disclosure statement required by this section or any amendment to the disclosure
29 statement.

30
31 C. Buyer (which term includes all persons signing the "buyer's acknowledgment" portion of this
32 disclosure statement below) hereby acknowledges receipt of a copy of this disclosure statement (in-
33 cluding attachments, if any) bearing seller's signature(s).

34
35 DISCLOSURES, IF ANY, CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON
36 THE BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME OF DIS-
37 CLOSURE. IF THE SELLER HAS FILLED OUT SECTION 2 OF THIS FORM, YOU, THE BUYER,
38 HAVE FIVE DAYS FROM THE SELLER'S DELIVERY OF THIS DISCLOSURE STATEMENT TO
39 REVOKE YOUR OFFER BY DELIVERING YOUR SEPARATE SIGNED WRITTEN STATEMENT
40 OF REVOCATION TO THE SELLER DISAPPROVING THE SELLER'S DISCLOSURE UNLESS
41 YOU WAIVE THIS RIGHT AT OR PRIOR TO ENTERING INTO A SALE AGREEMENT.

42
43 BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS SELLER'S PROPERTY
44 DISCLOSURE STATEMENT.

1 BUYER _____ DATE _____

2

3 BUYER _____ DATE _____

4

5 Agent receiving disclosure statement on buyer's behalf to sign and date:

6

7 _____ Real Estate Licensee

8

9 _____ Real Estate Firm

10

11 Date received by agent _____

12

13

14 **SECTION 2. The amendments to ORS 105.464 by section 1 of this 2017 Act apply to seller's**
15 **property disclosure statements dated on or after the effective date of this 2017 Act.**

16
