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HOUSE BILL NO. 1824

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on General Laws
on January 19, 2021)

(Patron Prior to Substitute—Delegate Askew)

A *BILL to amend and reenact § 55.1-703 of the Code of Virginia, relating to the Virginia Residential Property Disclosure Act; required disclosures for buyer to beware; mold.*

Be it enacted by the General Assembly of Virginia:**1. That § 55.1-703 of the Code of Virginia is amended and reenacted as follows:****§ 55.1-703. Required disclosures for buyer to beware; buyer to exercise necessary due diligence.**

A. The owner of the residential real property shall furnish to a purchaser a residential property disclosure statement for the buyer to beware of certain matters that may affect the buyer's decision to purchase such real property. Such statement shall be provided by the Real Estate Board on its website.

B. The residential property disclosure statement provided by the Real Estate Board on its website shall include the following:

1. The owner makes no representations or warranties as to the condition of the real property or any improvements thereon, or with regard to any covenants and restrictions, or any conveyances of mineral rights, as may be recorded among the land records affecting the real property or any improvements thereon, and purchasers are advised to exercise whatever due diligence a particular purchaser deems necessary, including obtaining a home inspection, as defined in § 54.1-500, a mold assessment conducted by a business that follows the guidelines provided by the U.S. Environmental Protection Agency, and a residential building energy analysis, as defined in § 54.1-1144, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event prior to settlement pursuant to such contract;

2. The owner makes no representations with respect to any matters that may pertain to parcels adjacent to the subject parcel, including zoning classification or permitted uses of adjacent parcels, and purchasers are advised to exercise whatever due diligence a particular purchaser deems necessary with respect to adjacent parcels in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event prior to settlement pursuant to such contract;

3. The owner makes no representations to any matters that pertain to whether the provisions of any historic district ordinance affect the property, and purchasers are advised to exercise whatever due diligence a particular purchaser deems necessary with respect to any historic district designated by the locality pursuant to § 15.2-2306, including review of (i) any local ordinance creating such district, (ii) any official map adopted by the locality depicting historic districts, and (iii) any materials available from the locality that explain (a) any requirements to alter, reconstruct, renovate, restore, or demolish buildings or signs in the local historic district and (b) the necessity of any local review board or governing body approvals prior to doing any work on a property located in a local historic district, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event prior to settlement pursuant to such contract;

4. The owner makes no representations with respect to whether the property contains any resource protection areas established in an ordinance implementing the Chesapeake Bay Preservation Act (§ 62.1-44.15:67 et seq.) adopted by the locality where the property is located pursuant to § 62.1-44.15:74, and purchasers are advised to exercise whatever due diligence a particular purchaser deems necessary to determine whether the provisions of any such ordinance affect the property, including review of any official map adopted by the locality depicting resource protection areas, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event prior to settlement pursuant to such contract;

5. The owner makes no representations with respect to information on any sexual offenders registered under Chapter 23 (§ 19.2-387 et seq.) of Title 19.2, and purchasers are advised to exercise whatever due diligence they deem necessary with respect to such information, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event prior to settlement pursuant to such contract;

6. The owner makes no representations with respect to whether the property is within a dam break inundation zone. Such disclosure statement shall advise purchasers to exercise whatever due diligence they deem necessary with respect to whether the property resides within a dam break inundation zone, including a review of any map adopted by the locality depicting dam break inundation zones;

7. The owner makes no representations with respect to the presence of any wastewater system, including the type or size of the wastewater system or associated maintenance responsibilities related to the wastewater system, located on the property, and purchasers are advised to exercise whatever due

60 diligence they deem necessary to determine the presence of any wastewater system on the property and
61 the costs associated with maintaining, repairing, or inspecting any wastewater system, including any
62 costs or requirements related to the pump-out of septic tanks, in accordance with terms and conditions as
63 may be contained in the real estate purchase contract, but in any event prior to settlement pursuant to
64 such contract;

65 8. The owner makes no representations with respect to any right to install or use solar energy
66 collection devices on the property;

67 9. The owner makes no representations with respect to whether the property is located in one or
68 more special flood hazard areas, and purchasers are advised to exercise whatever due diligence they
69 deem necessary, including (i) obtaining a flood certification or mortgage lender determination of whether
70 the property is located in one or more special flood hazard areas, (ii) reviewing any map depicting
71 special flood hazard areas, (iii) contacting the Federal Emergency Management Agency (FEMA) or
72 visiting the website for FEMA's National Flood Insurance Program or for the Virginia Department of
73 Conservation and Recreation's Flood Risk Information System, and (iv) determining whether flood
74 insurance is required, in accordance with terms and conditions as may be contained in the real estate
75 purchase contract, but in any event prior to settlement pursuant to such contract;

76 10. The owner makes no representations with respect to whether the property is subject to one or
77 more conservation or other easements, and purchasers are advised to exercise whatever due diligence a
78 particular purchaser deems necessary in accordance with terms and conditions as may be contained in
79 the real estate purchase contract, but in any event prior to settlement pursuant to such contract;

80 11. The owner makes no representations with respect to whether the property is subject to a
81 community development authority approved by a local governing body pursuant to Article 6
82 (§ 15.2-5152 et seq.) of Chapter 51 of Title 15.2, and purchasers are advised to exercise whatever due
83 diligence a particular purchaser deems necessary in accordance with terms and conditions as may be
84 contained in the real estate purchase contract, including determining whether a copy of the resolution or
85 ordinance has been recorded in the land records of the circuit court for the locality in which the
86 community development authority district is located for each tax parcel included in the district pursuant
87 to § 15.2-5157, but in any event prior to settlement pursuant to such contract;

88 12. The owner makes no representations with respect to whether the property is located on or near
89 deposits of marine clays (marumsco soils), and purchasers are advised to exercise whatever due
90 diligence a particular purchaser deems necessary in accordance with terms and conditions as may be
91 contained in the real estate purchase contract, including consulting public resources regarding local soil
92 conditions and having the soil and structural conditions of the property analyzed by a qualified
93 professional;

94 13. The owner makes no representations with respect to whether the property is located in a locality
95 classified as Zone 1 or Zone 2 by the U.S. Environmental Protection Agency's (EPA) Map of Radon
96 Zones, and purchasers are advised to exercise whatever due diligence they deem necessary to determine
97 whether the property is located in such a zone, including (i) reviewing the EPA's Map of Radon Zones
98 or visiting the EPA's radon information website; (ii) visiting the Virginia Department of Health's Indoor
99 Radon Program website; (iii) visiting the National Radon Proficiency Program's website; (iv) visiting the
100 National Radon Safety Board's website that lists the Board's certified contractors; and (v) ordering a
101 radon inspection, in accordance with the terms and conditions as may be contained in the real estate
102 purchase contract, but in any event prior to settlement pursuant to such contract;

103 14. The owner makes no representations with respect to whether the property contains any pipe, pipe
104 or plumbing fitting, fixture, solder, or flux that does not meet the federal Safe Drinking Water Act
105 definition of "lead free" pursuant to 42 U.S.C. § 300g-6, and purchasers are advised to exercise whatever
106 due diligence they deem necessary to determine whether the property contains any pipe, pipe or
107 plumbing fitting, fixture, solder, or flux that does not meet the federal Safe Drinking Water Act
108 definition of "lead free," in accordance with terms and conditions as may be contained in the real estate
109 purchase contract, but in any event prior to settlement pursuant to such contract;

110 15. The owner makes no representations with respect to the existence of defective drywall on the
111 property, and purchasers are advised to exercise whatever due diligence they deem necessary to
112 determine whether there is defective drywall on the property, in accordance with terms and conditions as
113 may be contained in the real estate purchase contract, but in any event prior to settlement pursuant to
114 such contract. For purposes of this subdivision, "defective drywall" means the same as that term is
115 defined in § 36-156.1; and

116 16. The owner makes no representation with respect to the condition or regulatory status of any
117 impounding structure or dam on the property or under the ownership of the common interest community
118 that the owner of the property is required to join, and purchasers are advised to exercise whatever due
119 diligence a particular purchaser deems necessary to determine the condition, regulatory status, cost of
120 required maintenance and operation, or other relevant information pertaining to the impounding structure
121 or dam, including contacting the Department of Conservation and Recreation or a licensed professional

122 engineer.

123 C. The residential property disclosure statement shall be delivered in accordance with § 55.1-709.