



February 8, 2022

The Honorable Joseph J. Solomon, Jr.
Chairman
Committee on House Corporations

RE: H 7159— “An Act Relating to Businesses and Professions—Real Estate Sales Disclosures”

Dear Chairman Solomon and Committee Members:

On behalf of the more than 6,000 Rhode Island REALTORS®, thank you for hearing H 7159— “An Act Relating to Business Professions—Real Estate Sales Disclosures.” We appreciate your leadership in the House of Representatives and your commitment to advocating for commonsense consumer protection laws that safeguard homebuyers and sellers.

Rhode Island General Law § 5-20.8-5 requires a seller of vacant land or land with one to four residential dwelling units to disclose in writing known defects such as flooding, leaks, mold, termites, structural problems, etc. to a prospective buyer before an offer is presented to the seller. This law is intended to help consumers make informed decisions before they enter into a purchase and sales agreement for the largest purchase that they are likely to make in their lifetime. That is why certain sections of the same chapter of Rhode Island’s General Laws allow a buyer to void a purchase and sales agreement.¹

If a non-exempt seller refuses to provide a written sales disclosure, the seller faces only a \$100 civil penalty. In a competitive real estate market with low inventory, this could be a determining factor during the transaction, as time is money in real estate. This penalty has remained the same since the law was enacted in 1992. H 7159 would increase this penalty to \$1,000 and would allow a buyer to void a purchase and sales agreement if a non-exempt seller fails to provide a written sales disclosure to the buyer.

¹ § 5-20.8-4. Buyer's rights to inspection, § 5-20.8-11. Lead inspection requirement, § 5-20.8-12. Private well testing requirement, § 5-20.8-13. Cesspool inspection requirement.

At a time when single-family homes in Rhode Island are selling at record highs, homebuyers and sellers alike should be provided with safeguards during the real estate transaction. Therefore, the Rhode Island Association of REALTORS® respectfully asks the Committee to support H 7159.

Sincerely,

A handwritten signature in blue ink that reads "David A. Salvatore". The signature is written in a cursive style with a large, prominent initial "D".

David A. Salvatore
Government Affairs Director