

2012 -- S 2499

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LC01275
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO BUSINESSES AND PROFESSIONS - REAL ESTATE SALES
DISCLOSURES

Introduced By: Senator Michael J. McCaffrey

Date Introduced: February 16, 2012

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 5-20.8-4 of the General Laws in Chapter 5-20.8 entitled "Real
2 Estate Sales Disclosures" is hereby amended to read as follows:

3 ~~5-20.8-4. Buyer's rights.~~ **Buyer's rights to inspection.** -- (a) Every contract for the
4 purchase and sale of real estate shall provide that a potential purchaser or potential purchasers
5 shall be permitted a ten (10) day period to conduct inspections of the property and any structures
6 thereon before the purchaser(s) becomes obligated under the contract to purchase. The ten (10)
7 day period commences to run the day after the purchase and sale agreement is signed by the
8 potential purchaser of the real estate. The parties have the right to mutually agree upon a different
9 period of time; provided, a potential purchaser may waive this right to inspection in writing.

10 (b) Failure to include the provision required in subsection (a) of this section in the
11 purchase and sale agreement for real estate does not create any defect in title.

12 (c) Failure to include in the purchase and sale agreement the provision required in
13 subsection (a) of this section shall entitle the purchaser to void the purchase and sale agreement
14 by providing notice, in writing, to the seller prior to the transfer of the title at a closing.

15 ~~(a) If prior to the execution of an agreement to transfer, but after the seller has agreed to~~
16 ~~the buyer's offer, the buyer discovers that a materially deficient condition exists which has not~~
17 ~~been disclosed to the buyer, then the seller's response to the buyer's offer is deemed to be a~~
18 ~~counter offer which the buyer may either accept or reject.~~

1 ~~(b) If prior to closing but after execution of an agreement to transfer, the buyer discovers~~
2 ~~that a materially deficient condition exists which has not been disclosed to the buyer, then the~~
3 ~~buyer may either elect to:~~

4 ~~(1) Terminate the agreement to transfer in which case the buyer shall receive all deposits~~
5 ~~paid by the buyer to the seller or his or her agent pursuant to the agreement; or~~

6 ~~(2) Allow the seller the opportunity to cure such deficient condition, in which case the~~
7 ~~buyer must provide the seller with a report of inspection performed by a recognized and reputable~~
8 ~~inspector or inspection company, within seven (7) calendar days after the buyer has obtained a~~
9 ~~copy of the inspection report, and the seller shall be given seven (7) calendar days after receipt of~~
10 ~~the report to notify the buyer, in writing, that the seller agrees, at the seller's own expense, to~~
11 ~~correct the defective condition. If the seller does not so agree, the buyer may terminate the~~
12 ~~agreement to transfer and the buyer shall receive all deposits paid by the buyer to the seller or his~~
13 ~~or her agent pursuant to the agreement.~~

14 ~~(c) Where the inspection set forth in subsection (b) of this section is performed in~~
15 ~~accordance with a provision in the agreement to transfer, and there is a delay in the receipt of the~~
16 ~~inspection report due solely to the inspector's inability to complete the inspection, the inspection~~
17 ~~completion date set forth in the agreement shall be extended for a reasonable time not to exceed~~
18 ~~seven (7) calendar days. The inspector shall provide the buyer with an explanation of the delay,~~
19 ~~which shall be made available to the seller.~~

20 SECTION 2. This act shall take effect on January 1, 2013.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO BUSINESSES AND PROFESSIONS - REAL ESTATE SALES
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1 This act would provide that contracts for the purchase and sale of real estate would have
2 to provide that potential purchaser(s) would be permitted a ten (10) day period to conduct an
3 inspection of the property before the purchaser becomes obligated under the contract to purchase.

4 This act would take effect on January 1, 2013.

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