

HOUSE BILL REPORT

HB 1363

As Reported By House Committee On:
Local Government

Title: An act relating to building permit verification.

Brief Description: Requiring the county assessor to verify that all necessary building permits have been issued when conducting a physical appraisal.

Sponsors: Representatives Peery, H. Myers, Springer, Dunshee, Romero, Zellinsky and Wineberry.

Brief History:

Reported by House Committee on:
Local Government, February 19, 1993, DPS.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives H. Myers, Chair; Bray, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Rayburn; Romero; Springer; Van Luven; and Zellinsky.

Minority Report: Do not pass. Signed by 1 member: Representative Horn.

Staff: Bill Lynch (786-7092).

Background: Consumers have purchased homes and later discovered that extensive work was performed on the homes without building permits. These consumers may have to spend large amounts of money to bring the newly purchased homes into compliance with the building codes.

Copies of building permits for construction or alteration work with an estimated value over \$500 must be sent by the local building officials to the county assessor. The county assessor makes physical inspections of property on a periodic basis.

It is suggested that the assessor may be able to detect substantial changes to property that are not made with proper permits. It is also suggested that if building permits and certificates of occupancy are recorded with the

county auditor, title companies would be able to disclose the lack of permits to prospective home buyers.

Summary of Substitute Bill: County assessors, as part of the physical appraisal process, are required to notify the local building official of any increase in the size of the building, or any other significant modifications that are apparent from an exterior inspection, since the last physical appraisal. The local building official must notify the assessor of the final disposition of the cases reported by the assessor.

Copies of building permits and certificates of occupancy must be recorded in the real property records of the county auditor. A title insurance report provided to the purchaser of real property must disclose the existence of recorded permits and certificates of occupancy. A title insurer is not required to include these permits and certificates in the coverage of the title insurance contract.

Substitute Bill Compared to Original Bill: The requirement that the assessors verify all building permits is deleted and replaced with the notice to local building officials for significant modifications. Disclosure provisions are added regarding the existence of building permits that are recorded.

Fiscal Note: Not requested.

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

Testimony For: Better consumer protection is needed for homebuyers. After buying my house for \$114,000 I discovered that according to Clark County it did not exist. They are now requiring me to comply with the county code and obtain the necessary building permits. Assessors are in a good position to see substantial changes to a home. Better disclosure on the existence of permits is essential for homebuyers.

Testimony Against: Assessors should not have to verify that all permits have been required because they wouldn't know. Permits should not be recorded because they are not documents that relate to the title of the property.

Witnesses: (Pro to original): Jimmy Duke, citizen; and Willy O'Neil, Department of Community Development. (Con original bill): Curt Johnson, Washington Land Title Association; and Ben Gassaway, Washington Association of County Elected Officials.