

HOUSE BILL REPORT

HB 2723

As Reported by House Committee On:
Economic Development, Agriculture & Trade

Title: An act relating to a seller's real estate disclosure of proximity to farming.

Brief Description: Eliminating the requirement for a seller's real estate disclosure of proximity to farming.

Sponsors: Representatives Tom, Lantz, Priest, Clibborn, Shabro, Hunter and Green.

Brief History:

Committee Activity:

Economic Development, Agriculture & Trade: 1/31/06, 2/1/06 [DPS].

Brief Summary of Substitute Bill

- Requires a seller of residential real property to make available to a buyer a statement regarding proximity of the property to a farm or farm operation.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Kristiansen, Ranking Minority Member; Appleton, Bailey, Blake, Buri, Chase, Clibborn, Dunn, Grant, Haler, Holmquist, Kilmer, Kretz, McCoy, Morrell, Newhouse, Quall, Strow, P. Sullivan and Wallace.

Staff: Meg Van Schoorl (786-7105).

Background:

With certain exceptions and under specified circumstances, Washington law requires sellers of residential real property to provide a buyer with a transfer disclosure statement. The statute specifies the format and questions that the seller must answer. The form includes a statement that disclosure is being made concerning the condition of the property and is provided based on the seller's actual knowledge of the property's condition at the time the form is completed. Required disclosures pertain to real property conditions such as title, water, sewer/septic system, structural conditions, systems and fixtures, legal restrictions, and other conditions.

Revisions enacted in 2005 to Chapter 64.06 RCW require that in addition to the existing disclosures required by statute, a seller of residential real property located within one mile of a

farm's or farm operation's property boundary must disclose the existence of the farm or farm operation. In this situation, the seller must make the following statement available to a buyer:

"This notice is to inform prospective residents that the real property they are about to acquire lies within one mile of the property boundary of a farm. The farm may generate usual and ordinary noise, dust, odors, and other associated conditions, and these practices are protected by the Washington Right to Farm Act."

Summary of Substitute Bill:

A seller of residential real property must make available to a buyer the following statement:

"This notice is to inform you that the real property you are considering for purchase may lie in close proximity to a farm. The operation of a farm involves usual and customary agricultural practices, which are protected under RCW 7.48.305, the Washington Right to Farm Act."

This statement modifies the existing disclosure requirement that a seller of residential real property located within one mile of a farm's or farm operation's boundary must disclose the farm's existence.

Substitute Bill Compared to Original Bill:

Unlike HB 2723 which would have eliminated the existing disclosure requirement, SHB 2723 modifies it.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support of proposed substitute) The Realtors and the Farm Bureau have worked out a compromise in this substitute bill. The goal is to alleviate problems that have arisen in implementing the disclosure required in the 2005 legislation. Sharing information about existing farms is important, but no one knew exactly how to define farm or farm activity or the one mile limitation. This compromise statement will be a notice provided on every seller's form. It will remind people to do due diligence, but will not require objective determinations. As the suburbs expand, there are increased connections between farms and non-farm residences. This disclosure provision provides adequate notice for potential buyers and important protection for farmers with existing operations that create the usual noise, dust, odors, and other conditions associated with customary farming practices.

Testimony Against: None.

Persons Testifying: (In support of proposed substitute) Representative Tom, prime sponsor; Bob Mitchell, Washington Realtors; and Patrick Connor, Washington Farm Bureau.

Persons Signed In To Testify But Not Testifying: None.