

SENATE BILL REPORT

SB 6728

As Reported By Senate Committee On:
Water, Energy & Environment, January 26, 2006

Title: An act relating to seller disclosure of information concerning unimproved real property zoned for residential use.

Brief Description: Regarding a seller's disclosure of information concerning unimproved real property zoned residential.

Sponsors: Senators Fraser, Swecker, Fairley, Prentice, Spanel, Thibaudeau and Franklin.

Brief History:

Committee Activity: Water, Energy & Environment: 1/18/06, 1/26/06 [DPS].

SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

Majority Report: That Substitute Senate Bill No. 6728 be substituted therefor, and the substitute bill do pass.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Morton, Ranking Minority Member; Delvin, Fraser, Mulliken and Pridemore.

Staff: Sam Thompson (786-7413)

Background: A seller of residential land must provide a buyer with a disclosure statement about the land unless the buyer waives the right to receive it. This disclosure requirement currently applies only to land with one to four dwelling units, condominiums and timeshares (except when subject to other disclosure laws), and mobile or manufactured homes that are personal property.

The disclosure form is specified in statute. The seller must check "yes," "no," or "don't know" in response to questions and may be required to explain some answers. The disclosures concern title, water, sewer/septic systems, structural matters, systems and fixtures, common interest matters, and general matters (including environmental concerns).

If the seller fails to provide the required disclosure, the buyer may rescind the transaction until the transfer has closed. If the disclosure statement is delivered late, the buyer's right to rescind expires three days after receipt of the statement.

It is suggested that vacant land upon which residences will be built should be subject to disclosure requirements, and that disclosure requirements regarding environmental concerns be made more explicit.

Summary of Substitute Bill: Sellers of vacant land zoned for single-family residences, including lots in a plat or subdivision, must complete a residential real property seller's disclosure statement. Vacant land classified as farm and agricultural land or timber land for property tax assessment is exempted.

An existing disclosure requirement regarding environmental concerns is clarified. A seller must provide information regarding whether there have ever been (in addition to whether there are currently) concerns regarding material such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water.

Disclosure statement requirements are expanded to include information as to whether:

- The land has ever been used for industrial purposes in which soil contamination may have occurred;
- Transmission poles, transformers, or other utility equipment have ever been installed, maintained, or buried on the land; and
- The land has ever been used as a legal or illegal dumping site.

Substitute Bill Compared to Original Bill: The disclosure requirement concerning utility equipment is clarified to require disclosure as to whether transmission poles, transformers, or other utility equipment have ever been installed, maintained, or buried (rather than simply buried) on the land.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: Vacant land and developed residential property can have varied environmental concerns that are not always reported to the Department of Ecology and may not be apparent in publicly-accessible information. Buyers who may be unaware of these concerns should be alerted.

Testimony Against: None.

Who Testified: PRO: Pete Kmet, Department of Ecology.