

HOUSE BILL REPORT

SB 6462

As Passed House:
March 1, 2018

Title: An act relating to the seller's real estate disclosure regarding oil tank insurance.

Brief Description: Concerning the seller's real estate disclosure regarding oil tank insurance.

Sponsors: Senators Angel and Mullet.

Brief History:

Committee Activity:

Business & Financial Services: 2/20/18, 2/21/18 [DP].

Floor Activity:

Passed House: 3/1/18, 97-0.

Brief Summary of Bill

- Adds a statement to the seller disclosure form to inform buyers if the real property under consideration utilizes an oil tank for heating purposes.

HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

Majority Report: Do pass. Signed by 11 members: Representatives Kirby, Chair; Reeves, Vice Chair; Vick, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Barkis, Bergquist, Blake, Jenkin, McCabe, Santos and Stanford.

Staff: Robbi Kesler (786-7153).

Background:

In real estate transactions for the sale of improved residential property and commercial real estate, absent an express waiver or exemption, sellers must provide buyers with a completed seller disclosure statement form. 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

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property conditions such as title, water, sewer/septic system, structural conditions, systems and fixtures, legal restrictions, and other conditions.

The Pollution Liability Insurance Agency (PLIA) administers a program that provides, via a contracted insurer, up to \$60,000 in contamination cleanup insurance to registered owners of heating oil tanks. This program also provides technical assistance to heating oil tank owners, and helps fund upgrades of insured heating oil tanks to models that meet superior leak protection design criteria.

Summary of Bill:

The seller disclosure statement is amended to add a statement giving the buyer notice if the real property under consideration utilizes an oil tank for heating purposes and that there may be no-cost insurance available from PLIA.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on January 1, 2020.

Staff Summary of Public Testimony:

(In support) Buyers have missed out on applying for the PLIA insurance because they were not aware the program existed. Currently, the seller disclosure form includes notice of an oil tank, but no notice of potential insurance. The PLIA is a great program and a notice should be included on the seller disclosure form. The delayed implementation will help roll this out as new property is listed and updates to the form are made.

(Opposed) None.

(Other) The PLIA is a great program, however it's difficult to market because there is no publically available database of existing oil tanks that may be eligible. This could be a helpful tool to get notice out.

Persons Testifying: (In support) Senator Jan Angel, prime sponsor; and Bob Mitchell, Washington Realtors.

(Other) Russell Olsen, Pollution Liability Insurance Agency.

Persons Signed In To Testify But Not Testifying: None.