

# SENATE BILL REPORT

## SB 5391

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As of January 22, 2019

**Title:** An act relating to the disclosure of drug production in improved residential real property sales.

**Brief Description:** Requiring the disclosure of drug production in improved residential real property sales.

**Sponsors:** Senators Zeiger, Mullet, Padden, Das, Warnick, Hunt and Keiser.

**Brief History:**

**Committee Activity:** Financial Institutions, Economic Development & Trade: 1/22/19.

**Brief Summary of Bill**

- Requires a seller of residential real estate to disclose in writing whether the improved residential property was ever used to manufacture drugs.

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**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE**

**Staff:** Clint McCarthy (786-7319)

**Background:** An improved residential real property is defined in statute as real property consisting of, or improved by, one to four residential dwelling units; a residential condominium; a residential timeshare; or a mobile or manufactured home.

When selling an improved residential real property, the seller is required, with certain exclusions, to provide the buyer with a completed seller disclosure statement. The seller must answer (1) yes, (2) no, or (3) do not know, on a long list of items the seller is required to disclose to a prospective buyer. Disclosures are categorized as follows:

- title;
- water;
- sewer or on-site sewage system;
- structural;
- systems and fixtures;
- homeowners association or common interest;

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- environmental;
- manufactured and mobile homes; and
- full disclosure by sellers.

**Summary of Bill:** A seller of a residential real estate property has a duty to inform the buyer in writing whether the improved residential real property being sold was ever used to manufacture illegal drugs.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: Home inspection would cost a lot, but a seller disclosure about being aware of drug manufacturing is a step in a good direction.

OTHER: The seller disclosure form already requires a seller to disclose if drugs have been manufactured in a home under the environmental subsection.

**Persons Testifying:** PRO: Senator Hans Zeiger, Prime Sponsor.

OTHER: Bob Mitchell, Washington REALTORS.

**Persons Signed In To Testify But Not Testifying:** No one.