Washington State House of Representatives Office of Program Research

BILL ANALYSIS

Commerce & Labor Committee

HB 2894

Brief Description: Adding questions about wood burning appliances to the seller's disclosure statement for residential real property transfers.

Sponsors: Representatives Campbell, Williams and Kagi.

Brief Summary of Bill

• Requires questions be added concerning wood burning appliances to the seller's disclosure statement for improved residential real property transfers.

Hearing Date: 1/25/08

Staff: Brian Considine (786-7290).

Background:

Sellers of improved residential real property must, under some circumstances, provide the buyer with a transfer seller disclosure statement. This disclosure requirement applies only to residential real property transfers.

The statute specifies the format and questions that the seller must answer. The form includes a statement that disclosure is being made concerning existing material facts or a defect based on the seller's actual knowledge of the property at the time the form is completed. The disclosures pertain to:

- title:
- water:
- sewer/on-site sewage system;
- structural;
- systems and fixtures;
- homeowners' association/common interest;
- environmental (drainage, material damage from fire, floods, etc., hazardous materials, radio towers, soil contamination); and
- manufactured and mobile homes (alterations).

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In addition, unless the property is new construction that has not been occupied, disclosures must be made concerning the following:

- structural (roof, additions, remodeling, including information about defects in various amenities such as wood stoves and fireplaces); and
- systems and fixtures (electrical, plumbing, heating and cooling, etc.).

Unless waived, the seller must make the required disclosures within five business days of acceptance of a written purchase agreement. The seller must update the information when obligated. The buyer generally has three business days to rescind the purchase agreement after the disclosure statement is delivered, or the buyer can accept and approve the disclosure statement.

Wood Burning Appliances

Nearly half of Washington's households have wood burning devices. During the past 20 - 25 years the number of wood stoves, fireplaces, pellet stoves, and fireplace inserts has grown in Washington.

Under the Washington Clean Air Act (Act), only certified wood stoves or fireplace inserts may be sold. The Act requires these stoves and inserts to meet a specified particulate air contaminant emission standard under test methodologies of the United States Environmental Protection Agency. The Department of Ecology rules define a wood stove as "certified" if it meets the required emission performance standards when tested by an accredited independent laboratory and is labeled as required. A person violating the Act is subject to civil and criminal penalties.

Summary of Bill:

The improved residential real property transfer disclosure statement form is amended to include questions about uncertified wood burning appliances. When a seller of an improved residential real property provides this disclosure, the seller must respond to questions about:

- whether the property has a wood stove, fireplace insert, pellet stove, manufactured fireplace, or a masonry fireplace; and
- whether the wood burning appliances are "certified" by the United States Environmental Protection Agency or the State of Washington as a clean burning appliance.

Rules Authority: The bill does not address the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Not requested.

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