SENATE BILL REPORT HB 2894

As Reported By Senate Committee On: Consumer Protection & Housing, February 26, 2008

Title: An act relating to adding questions about wood burning appliances to the seller's disclosure statement for residential real property transfers.

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 History: Passed House: 2/12/08, 96-1.

Committee Activity: Consumer Protection & Housing: 2/22/08, 2/26/08 [DP, w/oRec].

SENATE COMMITTEE ON CONSUMER PROTECTION & HOUSING

Majority Report: Do pass.

Signed by Senators Weinstein, Chair; Kauffman, Vice Chair; Delvin, Haugen, Jacobsen, Kilmer and McCaslin.

Minority Report: That it be referred without recommendation.

Signed by Senator Honeyford, Ranking Minority Member; Senator Tom.

Staff: Alison Mendiola (786-7483)

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.

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

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after the disclosure statement is delivered, or the buyer can accept and approve the disclosure statement.

<u>Wood Burning Appliances.</u> 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 U.S. Environmental Protection Agency (EPA). The Department of Ecology (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 EPA or the State of Washington as a clean burning appliance.

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.

Staff Summary of Public Testimony: PRO: Wood smoke contains toxins that can cause problems for vulnerable populations. The EPA has lowered related emission standards. In response, Ecology appointed a task force to address this issue and one of the recommendations is to amend the Form 17. This will help increase public awareness of wood burning appliances and the importance having certified wood burning appliances.

Persons Testifying: PRO: Bill Riley, Washington REALTORS.