

SENATE BILL REPORT

SB 6462

As of January 24, 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: Financial Institutions & Insurance: 1/23/18.

Brief Summary of Bill

- Requires a seller of residential property to notify a buyer if the property they are considering for purchase utilizes an oil tank for heating purposes.
- Provides that no cost insurance may be available from the Pollution Liability Insurance Agency (PLIA) for contamination cleanup.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Jeff Olsen (786-7428)

Background: Washington law requires sellers of residential real property to provide a buyer with a transfer disclosure statement. 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 property conditions such as title, water, sewer/septic system, structural conditions, systems and fixtures, legal restrictions, and other conditions.

The 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.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: A seller of residential property must notify a buyer if the property they are considering for purchase utilizes an oil tank for heating purposes, no cost insurance may be available from the PLIA.

Appropriation: None.

Fiscal Note: Not requested.

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

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

Staff Summary of Public Testimony: PRO: If homeowners are aware of the program offered by PLIA, they could benefit from the coverage it provides. A homeowner needs to sign up for the insurance within a certain timeframe, and the notice is an education and awareness that the insurance is available. The timing of the bill allows for a transition period to make modifications to the real estate disclosure form. PLIA provides technical assistance as well as covering the first \$60,000 in costs due to leaking oil tanks.

Persons Testifying: PRO: Senator Angel, Prime Sponsor; Bob Mitchell, Washington Realtors.

OTHER: Russell Olsen, Director, Pollution Liability Insurance Agency.

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