

HOUSE BILL REPORT

HB 2894

As Passed House:

February 12, 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: By Representatives Campbell, Williams and Kagi.

Brief History:

Committee Activity:

Commerce & Labor: 1/25/08 [DP].

Floor Activity:

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

Brief Summary of Bill

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

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Green, Moeller and Williams.

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

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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, and soil contamination); and
- manufactured and mobile homes (alterations).

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 U.S. 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 U.S. Environmental Protection Agency or the State of Washington as a clean burning appliance.
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Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This is the result of the Wood Smoke Work Group that came out of the Environmental Health Committee last session. This language is better than HB 2739 because it reflects the current state of the law, and it best reflects the work of the work group by incorporating the recommendations of the work group. The air is being polluted by wood smoke and we need to clean up the air before it becomes too problematic.

Wood burning creates particles that you breathe in but don't breathe out, and it sticks to your lungs. It is a problem for children, the elderly, and people with asthma. The U.S. Environmental Protection Agency has lowered its standard and said that if you do not meet it, you stand to lose all of your federal highway funds. Fourteen areas in the state are at near-term risk of losing their funds due to this.

Certification is a question to be added to the disclosure form because the work group didn't want people to confuse clean burning certification with underwriter laboratory certification. This is meant to help initiate discussion in residential transfers about the range of alternatives associated with indoor wood burning. Certification is easily identifiable and wood stove dealers will be willing to go out and let someone know if their wood burning appliance is certified.

This is a key part of a broader education concerning wood burning appliances and best practices. It is a good step to help address a serious issue.

(Opposed) None.

Persons Testifying: Representative Campbell, prime sponsor; Sam Pace, Washington Realtors; Gary Smith, Independent Business Association; Bob Saunders, Department of Ecology Air Quality; and Dave Kircher, Puget Sound Clean Air Agency.

Persons Signed In To Testify But Not Testifying: None.