

SENATE BILL REPORT

SHB 2710

As Reported by Senate Committee On:
Financial Institutions & Insurance, February 20, 2018

Title: An act relating to improving the accuracy of the residential real estate disclosure statement associated with the Washington right to farm act by providing a more complete description of the scope of RCW 7.48.305 through references related to working forests.

Brief Description: Adding proximity to working forests to the residential real estate disclosure statement.

Sponsors: House Committee on Business & Financial Services (originally sponsored by Representatives Reeves, Barkis, Kilduff and Graves).

Brief History: Passed House: 2/08/18, 98-0.

Committee Activity: Financial Institutions & Insurance: 2/20/18, 2/20/18 [DP].

Brief Summary of Bill

- Adds working forests to the seller disclosure form's statement regarding farm land for all sales on or after January 1, 2020.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Angel, Ranking Member; Fortunato, Hobbs and Kuderer.

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 and septic system, structural conditions, systems and fixtures, legal restrictions, and other conditions.

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.

The Washington Right to Farm Act (Act) includes certain protections to farms and forest lands from nuisance lawsuits that may arise from standard agricultural and forest practices. When the Act was modified in 2005, it included a change to the real estate disclosures requirement to include a notice to inform prospective residents that they are about to acquire property in close proximity to a farm.

Summary of Bill: The seller disclosure statement which gives sellers notice that the property they are considering for purchase may lie in close proximity to a farm is expanded to include working forests. The notice is also modified to include forest practices as activities that are protected under the Act. All sales on or after January 1, 2020, must include the updated statement.

Appropriation: None.

Fiscal Note: Not requested.

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: It is important to keep working forests viable in Washington. Working forests are included in the Right to Farm Act, but the seller's disclosure form has not been updated. This is a technical cleanup to clarify the notice buyers are given regarding the Washington Right to Farm Act. This does not expand the Right to Farm Act, it corrects an inaccuracy to the disclosure form and gives buyers notice. Small forest land owners want to be good neighbors, and having good communication will help. Adding notice to the seller disclosure will help protect those involved in working forests.

Persons Testifying: PRO: Representative Kristine Reeves, Prime Sponsor; Bob Mitchell, Washington REALTORS; Jason Callahan, Washington Forest Protection Association; Heather Hansen, Washington Farm Forestry Association.

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