

# HOUSE BILL REPORT

## HB 1011

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### As Reported by House Committee On: Consumer Protection & Business

**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:** Representatives Reeves, Barkis, Kilduff, Vick, Ryu, Fitzgibbon, Stanford and Leavitt.

#### **Brief History:**

##### **Committee Activity:**

Consumer Protection & Business: 1/15/19, 1/16/19 [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.

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### HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

**Majority Report:** Do pass. Signed by 13 members: Representatives Kirby, Chair; Reeves, Vice Chair; Vick, Ranking Minority Member; Hoff, Assistant Ranking Minority Member; Barkis, Blake, Dufault, Ryu, Santos, Stanford, Volz, Walen and Ybarra.

**Staff:** Robbi Kesler (786-7153).

#### **Background:**

In real estate transactions for the sale of improved residential property and commercial real estate, absent an express waiver or exemption, sellers must provide buyers with a completed seller disclosure statement form. 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

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property conditions such as title, water, sewer/septic system, structural conditions, systems and fixtures, legal restrictions, and other conditions.

Additionally, all seller disclosure statements must include the following statement regarding farms: "This notice is to inform you that the real property you are considering for purchase may lie in close proximity to a farm. The operation of a farm involves usual and customary agricultural practices, which are protected under RCW 7.48.305, the Washington Right to Farm Act."

The Washington Right to Farm Act includes certain protections to farms and forest lands from nuisance lawsuits that may arise from standard agricultural and forest practices. Forest land includes land where a merchantable stand of trees is located, even if the tree growth is being managed passively and even if the owner does not indicate the land's status as a working forest, as long as it is not being actively used for a use that is incompatible with timber growing. If the trees are established prior to surrounding non forestry activities, then the act of tree growth is considered a necessary part of any other subsequent stages of forest practices necessary to bring a crop of trees from its planting to final harvest.

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**Summary of Bill:**

The seller disclosure statement is amended to add working forests to the statement regarding farms, which gives sellers notice that certain activities may be protected from nuisance lawsuits that arise from standard agricultural and forest practices. All sales on or after January 1, 2020, must include the updated statement.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Staff Summary of Public Testimony:**

(In support) This is a good bill to ensure working forest are able to subsist. Working farms include small family-run organizations, and this bill will help them be successful now and into the future. Protection for working forests is already part of the law; this bill will simply add the statement to the seller's disclosure form to ensure the public is more aware. Realtors are pleased to support this bill. Providing a notice is an appropriate measure. Nearly one-half of the state's population admits to being uninformed about working forests; this will help inform new neighbors, which is important, particularly because of anticipated population growth.

(Opposed) None.

**Persons Testifying:** Representative Reeves, prime sponsor; Jason Callahan, Washington Forest Protection Association; Mary Hull-Drury, Washington Realtors; and Patti Case, Green Diamond Resource Company.

**Persons Signed In To Testify But Not Testifying:** None.