

SENATE BILL REPORT

HB 1011

As Passed Senate, March 29, 2019

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: Passed House: 3/07/19, 98-0.

Committee Activity: Financial Institutions, Economic Development & Trade: 3/14/19 [DP].

Floor Activity:

Passed Senate: 3/29/19, 46-0.

Brief Summary of Bill

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

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

Majority Report: Do pass.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Wilson, L., Ranking Member; Das, Erickson and Hobbs.

Staff: Clint McCarthy (786-7319)

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

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disclosures pertain to real property conditions such as title, water, sewer and 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 nonforestry 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 planting to final harvest.

Summary of Bill: The farm operations disclosure statement is expanded to also inform a buyer when the property being purchased is close to a working forest where foresting practices may occur. The change to the disclosure statement is prospective and applies to sale of properties that occur on or after January 1, 2020.

Appropriation: None.

Fiscal Note: Available.

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: There is a slight liability concern, and allows for a forest practitioner to have good relations with their neighbors. This bill has been around and has enjoyed broad support.

Persons Testifying: PRO: Mary Hull-Drury, Washington Realtors; Jason Callahan, Washington Forest Protection Association.

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