

# HOUSE BILL REPORT

## SHB 1064

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**As Passed House:**

February 5, 2021

**Title:** An act relating to disclosing the availability of high-speed internet access.

**Brief Description:** Requiring the disclosure of high-speed internet access availability in the seller's disclosure statement.

**Sponsors:** House Committee on Consumer Protection & Business (originally sponsored by Representatives Eslick, Kloba, Leavitt, Wylie, Gregerson, Ryu, Young, Robertson, Kirby and Fey).

**Brief History:**

**Committee Activity:**

Consumer Protection & Business: 1/18/21, 1/28/21 [DPS].

**Floor Activity:**

Passed House: 2/5/21, 96-0.

**Brief Summary of Substitute Bill**

- Adds questions about Internet service to the seller disclosure statement for residential property.

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**HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS**

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Kirby, Chair; Walen, Vice Chair; Vick, Ranking Minority Member; Dufault, Assistant Ranking Minority Member; Corry, Ryu and Santos.

**Staff:** Serena Dolly (786-7150).

**Background:**

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

In real estate transactions for the sale of improved residential real property, absent an express waiver or exemption, sellers must provide buyers with a completed seller disclosure statement no later than five business days after mutual acceptance of a written purchase agreement. The disclosure statement requires the seller to answer (1) "yes," (2) "no," or (3) "don't know" on a list of items, and if the questions require, the seller is given space to provide more details. The seller disclosure statement includes the following categories:

- title;
- water;
- sewer or on-site sewage system;
- structural;
- systems and fixtures;
- homeowners' association or common interests;
- environmental;
- manufactured and mobile homes; and
- full disclosure by sellers.

Within three business days of receipt of the disclosure statement, the buyer may approve and accept the disclosure statement or rescind the purchase agreement. If the disclosure statement is delivered late or not delivered, the buyer's right to rescind expires the earlier of three days after receipt of the disclosure statement or the date the transfer closes.

#### **Summary of Substitute Bill:**

For residential real estate transactions entered into on or after January 1, 2022, the seller disclosure statement is amended to include questions about whether the property currently has Internet access and who the provider is. The seller may answer by providing the information or by checking the "don't know" boxes.

**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) It is more important than ever for home buyers to know whether high-speed Internet access is available. Many people assume that a home has high-speed Internet when it does not. Buyers should not have to go to a grocery store to access the Internet. Sellers have the option of checking "don't know," but adding the question will make both sellers and buyers think about Internet access in the home-buying process. Internet availability and disclosure align with our state's goals, and the state offers an easy way for anyone to test broadband speed.

(Opposed) None.

(Other) Realtors would love for everyone to have high-speed Internet access, and it is appropriate to include questions about Internet service on the seller disclosure form. The language should be modified to factual questions that a seller is able to answer.

**Persons Testifying:** (In support) Representative Eslick, prime sponsor; and Russ Elliott, Washington State Broadband Office.

(Other) Bill Clarke, Washington REALTORS.

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