

## HB 3526 -7 STAFF MEASURE SUMMARY

### House Committee On Agriculture, Land Use, Natural Resources, and Water

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**Meeting Dates:** 2/17, 4/7

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#### WHAT THE MEASURE DOES:

The measure modifies well testing requirements and disclosure for real estate transactions that include an exempt well.

#### Detailed Summary

Requires real estate sellers of property that include an exempt well to submit statutorily required well test results to potential buyers and the Department of Environmental Quality instead of the Oregon Health Authority (OHA) and removes the existing 90-day compliance deadline. Modifies the form of the seller's property disclosure statement accordingly and declares that a buyer has a cause of action against a seller for damages if:

- The seller did not provide required test results to the buyer.
- Well contaminant levels for arsenic, nitrates, total coliform bacteria, or other contaminants specified by OHA for certain areas are above any maximum contaminant levels.
- The cause of action is commenced within five years of the real estate transaction closing.

*FISCAL: May have fiscal impact, but no statement yet issued*

*REVENUE: May have revenue impact, but no statement yet issued*

#### ISSUES DISCUSSED:

#### EFFECT OF AMENDMENT:

-7 The amendment replaces the measure and requires real estate sellers of property that include an exempt well to submit statutorily required well test results to buyers, or the buyer's agent prior to closing the transaction. Gives the buyer a right of revocation until the transaction is closed if well tests results are not provided. Directs the laboratory conducting the test to electronically submit test results to the Oregon Health Authority (OHA) within 90 days of submitting them to the seller of the real estate. The changes become operative on July 1, 2026 and the amendment authorizes OHA to take any action necessary for implementation prior to the operative date. The amendment takes effect on the 91st day following adjournment sine die.

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*REVENUE: May have revenue impact, but no statement yet issued*

#### BACKGROUND:

If ground water becomes polluted through processes like microbial contamination, high concentrations of naturally occurring contaminants, local land use practices, or problems with the integrity of nearby on-site septic systems, it is no longer safe to drink. The Domestic Well Testing Act (ORS 448.271) applies to the sale or exchange of real estate with a domestic well, which is defined as being used for purposes like drinking, cooking, washing, or bathing. Under current law, samples must be tested by an accredited laboratory for arsenic, nitrate, and E. coli bacteria only after the seller accepts an offer to purchase that real estate. Oregon does not currently have a statewide database of domestic well testing results.