

DISCLOSUREWATCH

Platinum Newsletter - The Latest In Real Estate Disclosure News

New Gas Pipeline Disclosure Law

by Mailana Mavromatis, Esq.

On July 13, 2012, the Governor signed Assembly Bill 1511 (Bradford) "AB1511" into law. AB1511 was introduced in January 2012 and amended in May 2012 to model the Megan's Law disclosure. It establishes the underlying duty to disclose about pipelines, and specifies the language of the notice, which is intended to encourage recipients to view the National Pipeline Mapping System "NPMS" website on their own, and use its "Find Pipeline Operator" function to obtain contact information for local utilities and operators if they desire.

AB1511 added Section 2079.10.5 to the Civil Code, requiring that every contract for the sale of residential real property in California entered into on or after July 1, 2013, shall contain, in not less than 8-point type, the specified notice below:

NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES

This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

The new law makes it clear that there is no requirement to provide information in addition to that contained in the notice regarding gas and hazardous liquid transmission

pipelines, so long as this notice has been delivered to the buyer of the real property.

The information in the notice is deemed adequate to inform the buyer about the existence of a statewide database of the locations of gas and hazardous liquid transmission pipelines and information from the database regarding those locations. Nothing in the section alters any existing duty under any other statute or decisional law imposed upon the seller or broker.

When AB1511 was first introduced into the California Legislature in January 2012, it was heavily supported by another NHD company that has been only including the gas transmission pipeline disclosure in their more expensive report – unlike Property I.D. that included it upon request by its clients at no additional charge. That other NHD company lobbied heavily for a legal requirement to include a map showing the location of the pipelines in relation to the property. Upon reviewing the vast limitations of the NPMS website, Assemblyman Bradford agreed with Property I.D. that: the NPMS website viewer is not appropriate for disclosure purposes; that the NPMS map viewer has a 500 foot margin of error in its depiction of the location of the pipelines; and that pipelines both appear and disappear from the NPMS viewer without notice. Despite objections by that other NHD company, Assemblyman Bradford amended AB1511 in May 2012 to model Megan's Law and to remove the map requirement from his bill.

Property I.D. has been providing the disclosure of natural gas transmission pipelines to its clients upon request at no additional charge since 2010. Property I.D. has now included the notice of natural gas transmission pipelines pursuant to AB1511 in the General Notices Section of every Property I.D. Report.

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