

STAND. COM. REP. NO.

1561

Honolulu, Hawaii

APR 07 2017

RE: H.B. No. 1418  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred H.B. No. 1418, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LAND,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the county exemptions from building permit and building code requirements to ensure that Hawaii's communities are not suspended from participation in the National Flood Insurance Program.

Your Committee received testimony in support of this measure from the Department of Agriculture; Department of Commerce and Consumer Affairs; Department of Land and Natural Resources; Hawaii Housing Finance and Development Corporation; Hawaii Emergency Management Agency; Department of Emergency Management, City and County of Honolulu; Department of Planning and Permitting, City and County of Honolulu; County of Hawai'i, Office of the Mayor; County of Hawai'i, Department of Public Works; American Council of Engineering Companies of Hawaii; Hawai'i Association of REALTORS; Hawaii Bankers Association; Hawaii Financial Services Association; The Maritime Group, LLC; Building Industry Association of Hawaii; Hawaii Credit Union League; Hawaii Independent Insurance Agents Association; Hawaii Cattleman's Council, Inc.; Hawai'i Farm Bureau; and two individuals.



Your Committee finds that changes made by Act 203, Session Laws of Hawaii 2013, exempted certain agricultural structures from building code and permit requirements. However, these changes inadvertently conflict with state floodplain management requirements that are consistent with the National Flood Insurance Program (NFIP), as administered by the Federal Emergency Management Agency (FEMA). FEMA notified the State in April 2016 that unless the State made certain necessary statutory amendments, new and renewed NFIP policies would be suspended, and NFIP flood insurance would be unavailable to Hawaii's residents.

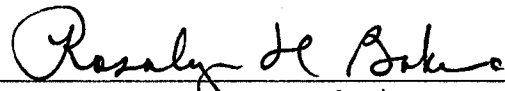
Your Committee further finds that if NFIP flood policies were not available in Hawaii, all properties located in areas designated by FEMA as high risk for flooding would be required to find another mechanism to satisfy the mandatory flood insurance purchase requirements of the Flood Disaster Protection Act of 1973. Private flood insurance would not be eligible for the current government subsidies provided by the NFIP, and such private flood insurance is anticipated to cost substantially more than current NFIP rates. Furthermore, if Hawaii ceases participation in the NFIP, certain forms of federal disaster assistance may not be available to the government, businesses, and individuals in Hawaii to aid in recovery. Accordingly, this measure makes certain necessary amendments to ensure Hawaii's continued eligibility in the NFIP.

Your Committee notes that the language in this measure has been reviewed and found acceptable by FEMA for the purpose of bringing section 46-88, Hawaii Revised Statutes, into compliance with the minimum standards of the NFIP.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1418, S.D. 1, and recommends that it pass Third Reading.



Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,

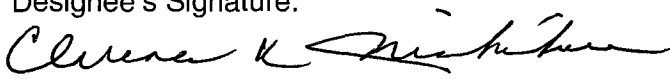


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ROSALYN H. BAKER, Chair



**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:* <b>HB 1418, SD1</b>	Committee Referral: <b>PSM/AEN, CPH</b>	Date: <b>4/4/17</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
NISHIHARA, Clarence K. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
KIDANI, Michelle N.	/			
RUDERMAN, Russell E.	/			
<b>TOTAL</b>	<b>7</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office              Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes