

JAN 20 2017

A BILL FOR AN ACT

RELATING TO REAL PROPERTY TRANSACTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that oceanfront property
2 is often vulnerable to hazards such as coastal erosion and
3 flooding from tsunamis, storms, and high waves. These hazards
4 can be exacerbated by sea level rise and man-made interruptions
5 to natural sand supply. In Hawaii, all beaches are prone to
6 seasonal or episodic erosion from high waves and storms. In
7 addition, chronic erosion affects seventy per cent of the
8 beaches on Oahu, Maui, and Kauai.

9 The legislature finds that numerous court decisions have
10 affirmed that privately owned oceanfront land is lost when
11 shorelines undergo landward retreat and oceanfront properties
12 become smaller. When oceanfront property experiences landward
13 retreat, building setbacks, property values, and insurance
14 availability can be adversely impacted. Another challenge
15 property owners face in Hawaii is the stringent permit
16 requirements imposed by the counties and State for shoreline
17 protection. When shoreline retreat occurs, obtaining a permit



1 to repair or install shoreline protection structures such as
2 seawalls, revetments, geotextile sandbags, or groins can be
3 challenging due to Hawaii's coastal zone management policies,
4 which protect coastal natural resources and shoreline public
5 access.

6 Accordingly, the purpose of this Act is to require an
7 oceanfront purchaser statement with the sale or transfer of
8 oceanfront real estate to ensure that new oceanfront property
9 owners understand the special hazards, permitting requirements,
10 and limitations that may affect the oceanfront property.

11 SECTION 2. Chapter 508, Hawaii Revised Statutes, is
12 amended by adding a new section to be appropriately designated
13 and to read as follows:

14 "§508- Oceanfront purchaser statement. (a) Effective
15 July 1, 2017, every sale or transfer of oceanfront property
16 shall include an oceanfront purchaser statement executed by the
17 purchaser or transferee.

18 (b) Every oceanfront purchaser statement shall include
19 acknowledgment by the purchaser or transferee that:

20 (1) Oceanfront property is at risk of losing square
21 footage if the shoreline retreats due to erosion and



1 the upper reach of the wash of the waves, which may
2 affect future permitting decisions;
3 (2) Historical coastal erosion rate maps and flood
4 insurance rate maps exist for public use;
5 (3) Shoreline setback is determined pursuant to chapter
6 205A, and the location of the shoreline setback may be
7 affected by shoreline retreat and the upper reach of
8 the wash of the waves;
9 (4) Obtaining permits to repair or install shoreline
10 protection structures may be challenging due to state
11 and federal coastal zone management programs and
12 should be viewed as a last resort;
13 (5) The public enjoys a right of access to Hawaii's
14 shorelines, including the right of transit along the
15 shorelines pursuant to section 115-4; and
16 (6) The department of land and natural resources may
17 require a landowner to remove encroaching vegetation
18 if a landowner's human-induced, enhanced, or
19 unmaintained vegetation interferes with or encroaches
20 on a beach transit corridor pursuant to section
21 115-10.



S.B. NO. 694

1 (c) All oceanfront purchaser statements shall be notarized
 2 and recorded in the bureau of conveyances."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect on November 1, 2017.

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S.B. NO. 644

Report Title:

Oceanfront Property; Oceanfront Purchaser Statement; Bureau of Conveyances

Description:

Requires a purchaser or transferee to execute an oceanfront purchaser statement with every sale or transfer of oceanfront real estate. Requires the statement to be recorded with the bureau of conveyances. Establishes mandatory provisions for every oceanfront purchaser statement. Takes effect 11/1/17.

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