

STAND. COM. REP. NO.

613

Honolulu, Hawaii

FEB 15 2019

RE: S.B. No. 1126
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred S.B. No. 1126 entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE DISCLOSURE,"

begs leave to report as follows:

The purpose and intent of this measure is to, beginning on November 1, 2019, require all real property sales or transfers to include a sea level rise hazard exposure statement to ensure that new property owners and transferees understand the special hazards, requirements, and limitations that may affect the property.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Sierra Club of Hawai'i; Coastal Planners, LLC; and four individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS.

Your Committee finds that coastal property is often vulnerable to hazards, such as coastal erosion and flooding from tsunamis, storms, and high waves. These hazards can be exacerbated by sea level rise and human-caused interruptions to natural sand supply. Owners of coastal property are at risk of losing land when shorelines undergo landward retreat, which negatively impacts building setbacks, property values, and insurance availability. Furthermore, coastal property owners face



stringent permit requirements imposed by the counties and State for shoreline protection. This measure enables coastal property purchasers and transferees to better understand the special hazards, permitting requirements, and limitations that may affect the coastal property by requiring a sea level rise hazard exposure statement with the sale or transfer of any real property at risk of climate-related exposure.

Your Committee has amended this measure by:

- (1) Requiring a sea level rise hazard exposure statement be included with every sale or transfer of vulnerable coastal property, rather than any real property;
- (2) Replacing the acknowledgments in and requirements of the sea level rise hazard exposure statement with substantively similar acknowledgments in and requirements of the vulnerable coastal property purchaser statements proposed in S.B. No. 1339, Regular Session of 2019;
- (3) Defining "vulnerable coastal property" as real property within a two-foot sea level rise exposure area as officially designated by the Hawaii Climate Change Mitigation and Adaptation Commission;
- (4) Applying the material fact information disclosure requirement to residential real property within a sea level rise exposure area as officially designated by the Hawaii Climate Change Mitigation and Adaptation Commission, rather than within a sea level rise hazard zone based on the National Oceanic and Atmospheric Administration sea level rise hazard exposure map or the Hawaii Sea Level Rise Viewer;
- (5) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your



Committee is in accord with the intent and purpose of S.B. No. 1126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1126, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

Respectfully submitted on
behalf of the members of the
Committee on Water and Land,



KAIALI'I KAHELELE, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB1126	Committee Referral: WTL, CPH	Date: 2/13/2019		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KAHELE, Kaiali'i (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
NISHIHARA, Clarence K.				X
RIVIERE, Gil	X			
FEVELLA, Kurt	X			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes