

STAND. COM. REP. NO.

988

Honolulu, Hawaii

MAR 0 1 2019

RE: S.B. No. 1126
S.D. 2

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

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 1126, S.D. 1, 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:

- (1) Beginning on November 1, 2019, require all vulnerable coastal 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; and
- (2) Require sellers to include whether property is within a sea level rise exposure area in the disclosure statement provided to the buyer.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, one council member from the Maui County Council, Environmental Caucus of the Democratic Party of Hawai'i, Hawaiian Community Assets, Sierra Club of Hawai'i, Hawai'i Reef and Ocean Coalition, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Surfrider Foundation Hawaii Chapters, and thirty individuals.



Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS.

Your Committee finds that coastal properties in the State are often vulnerable to hazards, such as coastal erosion, flooding, tsunamis, storms, high surf, sea level rise, and human-caused loss of natural sand supply. If landward retreat happens, property owners or transferees may be negatively affected in the form of building setbacks, declining property values, insurance unavailability, and strict permit requirements for shoreline protection. Your Committee further finds that it is critical for buyers to understand the hazards and risks they are assuming when purchasing ocean front property. This measure therefore requires buyers and transferees to acknowledge, through the execution of a sea level rise hazard exposure statement, that they are aware of certain potential risks associated with the vulnerable coastal property and also requires sellers to include in their mandatory disclosure statement to buyers that the residential real property lies within a sea level rise exposure area, if applicable. Your Committee finds that requiring acknowledgment and disclosure from both buyers and sellers in these real property transactions will promote transparency and support informed decision making by buyers.

Your Committee has amended this measure by:

- (1) Revising the definition of "vulnerable coastal property" by removing the two-foot sea level rise specification and generally defining it as real property that is within the officially designated sea level rise exposure area; and
- (2) 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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1126, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1126, S.D. 2.



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




ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1126, SD1	WTL, CPH	2/26/19		
<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
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
KEOHOKALOPE, Jarrett	✓			
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.				✓
THIELEN, Laura H.	✓			
FEVELLA, Kurt	✓			
TOTAL	6			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