A BILL FOR AN ACT

RELATING TO REAL PROPERTY TRANSACTIONS.

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

1   SECTION 1. As reflected in the findings of Act 32, Session

2   Laws of Hawaii 2017 (Act 32), the legislature recognizes that

3   not only is climate change real, but it is also the overriding

4   challenge of the twenty-first century and one of the priority

5   issues of the senate. Climate change poses immediate and long-

6   term threats to the State's economy, sustainability, security,

7   and its residents' way of life.

8   Act 32 established the Hawaii climate change mitigation and

9   adaptation commission (commission) and directed the commission

10   to, as a first step, focus on and develop sea level rise

11   vulnerability and adaptation reports that are required to

12   include:

13   (1)   Identification of the major areas of sea level rise

14   impacts affecting the State and counties through 2050;

15   (2)   Identification of expected impacts of sea level rise

16   based on the latest scientific research for each area

17   through 2050;

1   (3) Identification of the economic ramifications of sea

2   level rise;

3   (4) Identification of applicable federal laws, policies,

4   or programs that impact affected areas; and

5   (5) Recommendations for planning, management, and

6   adaptation for hazards associated with increasing sea

7   level rise.

8   The sea level rise vulnerability and adaptation report

9 approved by the commission identifies, with maps at tax map key

10 detail, areas that are susceptible to sea level rise impacts

11 based on a 3.2-foot increase in sea level projected to occur by

12 mid-century or earlier. These areas are designated as the sea

13 level rise exposure area projection, which the commission

14 recommends be adopted as a sea level rise exposure area overlay

15 to guide state and county adaptation strategies and standards

16 for development. Furthermore, the commission's statement

17 (September 4, 2018) includes a recommendation to require

18 mandatory disclosure for private properties and public offerings

19 located in areas with potential exposure to sea level rise. At

20 a minimum, the seller shall be required to disclose if the

1 property is located in the sea level rise exposure area as

2 identified in the State's report.

3 The legislature further finds that chapter 508D, Hawaii

4 Revised Statutes, requires a written disclosure statement

5 prepared by the seller, or at the seller's direction, that

6 purports to fully and accurately disclose all material facts

7 relating to residential real property being offered for sale. A

8 "material fact" is defined under section 508D-1, Hawaii Revised

9 Statutes, in pertinent part, to mean "any fact, defect, or

10 condition, past or present, that would be expected to measurably

11 affect the value to a reasonable person of the residential real

12 property being offered for sale." The value of property lying

13 within the boundaries of a sea level rise exposure area likely

14 will be affected over time, which is a material fact that should

15 be included in mandatory seller disclosure statements in real

16 property transactions.

17 The purpose of this Act is to require that mandatory seller

18 disclosures in real property transactions include identification

19 of residential real properties lying within the sea level rise

20 exposure area.

1   SECTION 2. Section 508D-15, Hawaii Revised Statutes, is

2 amended by amending subsection (a) to read as follows:

3   "(a) When residential real property lies:

4   (1) Within the boundaries of a special flood hazard area

5   as officially designated on Flood Insurance

6   Administration maps promulgated by the United States

7   Department of Housing and Urban Development for the

8   purposes of determining eligibility for emergency

9   flood insurance programs;

10   (2) Within the boundaries of the noise exposure area shown

11   on maps prepared by the department of transportation

12   in accordance with Federal Aviation Regulation part

13   150, Airport Noise Compatibility Planning (14 C.F.R.

14   part 150), for any public airport;

15   (3) Within the boundaries of the Air Installation

16   Compatible Use Zone of any Air Force, Army, Navy, or

17   Marine Corps airport as officially designated by

18   military authorities; [or]

19   (4) Within the anticipated inundation areas designated on

20   the department of defense's emergency management

21   tsunami inundation maps[.]; or

1   (5)   Within the sea level rise exposure area as officially

2   designated by the Hawaii climate change mitigation and

3   adaptation commission or its successor,

4   subject to the availability of maps that designate the [four]

5   five areas by tax map key (zone, section, parcel), the seller

6   shall include the material fact information in the disclosure

7   statement provided to the buyer subject to this chapter. Each

8   county shall provide, where available, maps of its jurisdiction

9   detailing the [four] five designated areas specified in this

10 subsection. The maps shall identify the properties situated

11 within the [four] five designated areas by tax map key number

12 (zone, section, parcel) and shall be of a size sufficient to

13 provide information necessary to serve the purposes of this

14 section. Each county shall provide legible copies of the maps

15 and may charge a reasonable copying fee."

16   SECTION 3. Statutory material to be repealed is bracketed

17 and stricken. New statutory material is underscored.

18   SECTION 4. This Act shall take effect on December 31,

19 2033.

Report Title:
Real Estate Transactions; Mandatory Seller Disclosures; Sea
Level Rise Exposure Area

Description:
Requires that mandatory seller disclosures in real estate
transactions include identification of residential real
properties lying within the sea level rise exposure area.
Effective 12/31/33. (SD1)

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2020-1091 SB2671 SD1 SMA.doc