STAND. COM. REP. NO. -120

Honolulu, Hawaii

MAR 0 4 2021

RE: S.B. No. 474 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Judiciary, to which was referred S.B. No. 474, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO REAL PROPERTY TRANSACTIONS,"

beg leave to report as follows:

The purpose and intent of this measure is to ensure that buyers of coastal property understand the hazards and risks they are assuming in purchasing oceanfront property. Specifically, this measure requires that sellers of residential real property disclose whether a residential real property lies within a sea level rise exposure area, as officially designated by the Hawaii Climate Change Mitigation and Adaptation Commission.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Climate Change Mitigation and Adaptation Commission, Hawai'i Association of REALTORS, Surfrider Foundation Hawai'i Region, Sierra Club of Hawai'i, Hawaii Shore & Beach Preservation Association, Imua Alliance, Hawai'i Reef Ocean Coalition, and six individuals.

Your Committees find that coastal properties are vulnerable to erosion due to shoreline recession and land loss. A historical lack of understanding of these risks has resulted in a legacy of encroaching development built without sufficient setbacks on eroding shorelines. Therefore, permitted and unpermitted construction of sea walls and other shoreline hardening



STAND. COM. REP. NO. 739 Page 2

structures, such as seawalls and rock revetments, is generally prohibited for private properties fronting beaches pursuant to chapter 205A, Hawaii Revised Statutes. Additionally, recent science points to a likelihood of three feet or more of sea level rise in the second half of the century, within the expected lifespan of most existing and new development. Your Committees further find that it is important for buyers to understand the hazards and risks they are assuming in purchasing oceanfront property since the value of property lying within the boundaries of a sea level rise exposure area will likely be affected over time, and this risk is a material fact that should be disclosed by the seller in a real property transaction in accordance with chapter 508D, Hawaii Revised Statutes, to allow for informed decision-making by buyers.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 474, S.D. 1, and recommend that it pass Third Reading.

> Respectfully submitted on behalf of the members of the Committees on Commerce and Consumer Protection and Judiciary,

KARL RHOADS, Chair

realm of

ROSALYN H. 🕏AKER, Chair



The Senate Thirty-First Legislature State of Hawai'i

.

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee Referral:			Date:					
5B474 501	WTL, CPN/JDC 02/24/2021								
The Committee is reconsidering its previous decision on this measure.									
If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
BAKER, Rosalyn H. (C)									
CHANG, Stanley (VC)									
MISALUCHA, Bennette E.									
NISHIHARA, Clarence K.		1							
RIVIERE, Gil		/							
SAN BUENAVENTURA, Joy A.									
FEVELLA, Kurt		/							
TOTAL		7	~	-					
Recommendation:									
Chair's or Designee's Signature: Clarence K Kishihar									
Distribution: Original File with Committee Re	ribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy								

*Only <u>one</u> measure per Record of Votes

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Judiciary JDC

Bill / Resolution No.:*	Committee Referral:			Date:				
5B474 501	WTL, CPN/JOC 02/24/2021							
The Committee is reconsidering its previous decision on this measure.								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye	Aye (WF	R) Nay	Excused			
RHOADS, Karl (C)		v						
KEOHOKALOLE, Jarrett (VC)		V						
ACASIO, Laura		V						
GABBARD, Mike		V						
KIM, Donna Mercado		· V						
LEE, Chris		V						
FEVELLA, Kurt		v						
			L					
	<u>.</u>							
TOTAL	<u></u>	7	0	0	0			
Recommendation:					эd			
Chair's or Designee's Signature:								
Distribution: Original File with Committee Re		ellow 's <u>Office</u> D	Pink Goldenrod Drafting Agency Committee File Copy					

*Only one measure per Record of Votes