

STAND. COM. REP. NO. 739

Honolulu, Hawaii

MAR 04 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



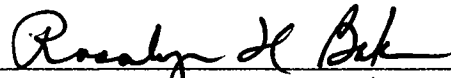
structures, such as seawalls and rock revetments, is generally prohibited for private properties fronting beaches pursuant to chapter 205A, Hawaii Revised Statutes. Additionally, recent science points to a likelihood of three feet or more of sea level rise in the second half of the century, within the 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



ROSALYN H. BAKER, Chair



