STAND. COM. REP. NO.

Honolulu, Hawaii **MAR 05** , 2021 RE: H.B. No. 554 H.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 554, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to require sellers to include, in the mandatory residential real estate transactions disclosure statements to buyers, information about the residential real property lying within the sea level rise exposure area as designated by the Hawaii Climate Change Mitigation and Adaptation Commission or its successor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Climate Change Mitigation & Adaptation Commission; Office of Climate Change, Sustainability and Resiliency of the City and County of Honolulu; Hawai'i Reef and Ocean Coalition; Hawaii Shore and Beach Preservation Association; Hawai'i Association of REALTORS; Imua Alliance; Surfrider Foundation - Hawai'i Region; Sierra Club of Hawai'i; and eight individuals. Your Committee received comments on this measure from the Office of Planning.

Your Committee finds that a property's vulnerability to sea level rise is a material fact for the purposes of mandatory disclosures in residential real estate sales, as it would be

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expected to measurably affect the value of the property. Your Committee further finds that it is critical for buyers to understand the hazards and risks they are assuming when purchasing oceanfront property, in the spirit of transparency and disclosure and to support informed decision making by buyers and government agencies.

Your Committee has amended this measure by:

- Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that should this measure continue to progress through the legislative process, that the effective date of this measure is recommended to be May 1, 2022, which coincides with the release date for the Hawai'i Association of REALTORS Standard Forms.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 554, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 554, H.D. 2.

> Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

OHANSON, Chair

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State of Hawaii House of Representatives HSCL 845 The Thirty-first Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 554 HD1	nittee Referral: WAL, CP(Date: 2/25/21		
The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 					
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. JOHANSON, Aaron Ling (C)					
2. KITAGAWA, Lisa (VC)					
3. AQUINO, Henry J.C.		<u>48440 - 114 - 21, 1940)</u> 	<u>ner retendense</u> Nario se tende		
4. HAR, Sharon E.	V				
5. HASHEM, Mark J.					
6. KONG, Sam Satoru	14 Ann			\sim	
7. MIZUNO, John M.					
8. MORIKAWA, Dee					
9. ONISHI, Richard H.K.					
10. TARNAS, David A.					
11. MATSUMOTO, Lauren			<u> </u>		
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TOTAL (11)	10	0	0	1	
The recommendation is: Image: Adopted life Image: Not Adopted life If joint referral,					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					