**S.B. NO.** <sup>1389</sup> S.D. 1

# A BILL FOR AN ACT

RELATING TO REAL PROPERTY DISCLOSURES WITHIN SHORELINE AREAS.

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

SECTION 1. As reflected in Act 32, Session Laws of Hawaii
2017 (Act 32), the legislature recognizes that not only is
climate change real, but it is also the overriding challenge of
the twenty-first century and one of the priority issues of the
legislature. The legislature finds that climate change poses
immediate and long-term threats to the State's economy,
sustainability, security, and its residents' way of life.

Through Act 179, Session Laws of Hawaii 2021, the 8 9 legislature recognized the existential threat of sea level rise 10 to real property and amended section 508D-15, Hawaii Revised Statutes, to require mandatory seller disclosures in real 11 property transactions to indicate that a residential real 12 property lies within the sea level rise exposure area. 13 The legislature further finds that research published by the 14 15 Intergovernmental Panel on Climate Change and the National 16 Aeronautics and Space Administration shows that sea levels in Hawaii will continue to rise yet sea level rise has no 17

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detectable effect on valuations or sales data on real property.
 The lack of a sea level rise discount indicates that purchasers
 may be underprepared for the future challenges and implications
 of sea level rise and the ancillary effects of coastal erosion,
 future flooding, inundation; and storm surges.

6 The purpose of this Act is to further strengthen purchaser 7 protection by clearly outlining the impacts of climate change by 8 requiring disclosures for real estate transactions involving 9 oceanfront property of:

10 (1) All permitted and unpermitted erosion control
11 structures on the parcel or on state land adjacent to
12 the parcel; and

13 (2) The annual coastal erosion rates for the zoning lot.
14 SECTION 2. Section 508D-15, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "§508D-15 Notification required; ambiguity. (a) When
17 residential real property lies:

18 (1) Within the boundaries of a special flood hazard area
 19 as officially designated on flood maps promulgated by
 20 the National Flood Insurance Program of the Federal
 21 Emergency Management Agency for the purposes of



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1		determining eligibility for emergency flood insurance
2		programs;
3	(2)	Within the boundaries of the noise exposure area shown
4		on maps prepared by the department of transportation
5		in accordance with Federal Aviation Regulation part
6		150, Airport Noise Compatibility Planning (14 C.F.R.
7		part 150), for any public airport;
8	(3)	Within the boundaries of the Air Installation
9		Compatible Use Zone of any Air Force, Army, Navy, or
10		Marine Corps airport as officially designated by
11		military authorities;
12	(4)	Within the anticipated inundation areas designated on
13		the department of defense's emergency management
14		tsunami inundation maps; or
15	(5)	Within the sea level rise exposure area as designated
16		by the Hawaii climate change mitigation and adaptation
17		commission or its successor,
18	subject to	o the availability of maps that designate the five
19	areas by t	tax map key (zone, section, parcel), the seller shall
20	include t	he material fact information in the disclosure
21	statement	provided to the buyer subject to this chapter. Each

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1 county shall provide, where available, maps of its jurisdiction 2 detailing the five designated areas specified in this 3 subsection. The maps shall identify the properties situated 4 within the five designated areas by tax map key number (zone, 5 section, parcel) and shall be of a size sufficient to provide 6 information necessary to serve the purposes of this section. 7 Each county shall provide legible copies of the maps and may 8 charge a reasonable copying fee. 9 (b) When residential real property lies adjacent to the 10 shoreline, the seller shall disclose all permitted and 11 unpermitted erosion control structures on the parcel or on state 12 land adjacent to the parcel, including expiration dates of 13 permitted structures and any notices of alleged violations and 14 fines for expired permits or unpermitted structures. The seller 15 shall disclose the annual coastal erosion rates for the zoning 16 lot as determined by historical analysis and shown on the 17 official county databases for historical erosion rates. 18  $\left[\frac{b}{2}\right]$  (c) When it is questionable whether residential real 19 property lies within any of the designated areas referred to in 20 subsection (a) due to the inherent ambiguity of boundary lines 21 drawn on maps of large scale, the ambiguity shall be construed

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in favor of the seller; provided that a good faith effort has
 been made to determine the applicability of subsection (a) to
 the subject real property.

4 [-(c)-] (d) Except as required under subsections (a) [and],
5 (b), and (c) and as required under section 508D-3.5, the seller
6 shall have no duty to examine any public record when preparing a
7 disclosure statement."

8 SECTION 3. This Act does not affect rights and duties that 9 matured, penalties that were incurred, and proceedings that were 10 begun before its effective date.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

13 SECTION 5. This Act shall take effect on July 1, 2050.



#### Report Title:

Residential Real Property Transactions; Mandatory Seller Disclosures; Sea Level Rise Exposure Area

#### Description:

Requires mandatory disclosure of all existing permitted and unpermitted shoreline erosion control structures and the annual coastal erosion rates for shoreline properties in real estate transactions. Effective 7/1/2050. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

