A BILL FOR AN ACT

RELATING TO OCEANFRONT PROPERTY TRANSACTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAI'I:

SECTION 1. The legislature finds that oceanfront property is often vulnerable to hazards such as coastal erosion and flooding from tsunamis, storms, and high waves. These hazards can be exacerbated by sea level rise and man-made interruptions to natural sand supply. In Hawaii, all beaches are prone to seasonal or episodic erosion from high waves and storms. In addition, chronic erosion affects about seventy per cent of the beaches on Oahu, Maui, and Kauai.

The legislature finds that numerous court decisions have affirmed that privately owned oceanfront land is lost when shorelines undergo landward retreat and oceanfront properties become smaller. When oceanfront property experiences landward retreat, building setbacks, property values, and insurance availability can be adversely impacted. Another challenge property owners face in Hawaii is the stringent permit requirements imposed by the counties and State for shoreline protection. When shoreline retreat occurs, obtaining a permit...
to repair or install shoreline protection structures such as seawalls, revetments, geotextile sandbags, or groins can be challenging due to Hawaii's coastal zone management policies, which protect coastal natural resources and shoreline public access.

Accordingly, the purpose of this Act is to require an oceanfront purchaser statement with the sale or transfer of oceanfront real estate to ensure that new oceanfront property owners understand the special hazards, permitting requirements, and limitations that may affect the oceanfront property.

SECTION 2. Chapter 508, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§508- Oceanfront purchaser statement. (a) Effective July 1, 2019, every sale or transfer of oceanfront property shall include an oceanfront purchaser statement executed by the purchaser or transferee.

(b) Every oceanfront purchaser statement shall include acknowledgment by the purchaser or transferee that:

(1) Oceanfront property is at risk of losing square footage if the shoreline retreats due to erosion and
the upper reach of the wash of the waves, which may affect future permitting decisions;

(2) Historical coastal erosion rate maps and flood insurance rate maps exist for public use;

(3) Shoreline setback is determined pursuant to chapter 205A, part III, and the location of the shoreline setback may be affected by shoreline retreat and the upper reach of the wash of the waves;

(4) Obtaining permits to repair or install shoreline protection structures may be challenging due to state and federal coastal zone management programs and should be viewed as a last resort;

(5) The public enjoys a right of access to Hawaii's shorelines, including the right of transit along the shorelines pursuant to section 115-4; and

(6) The department of land and natural resources may require a landowner to remove encroaching vegetation if a landowner's human-induced, enhanced, or unmaintained vegetation interferes with or encroaches on a beach transit corridor pursuant to section 115-10.
(c) All oceanfront purchaser statements shall be notarized and recorded in the bureau of conveyances."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2019.

INTRODUCED BY:
Report Title:
Oceanfront Property; Oceanfront Purchaser Statement; Bureau of Conveyances

Description:
Requires a purchaser or transferee to execute an oceanfront purchaser statement with every sale or transfer of oceanfront real estate. Requires the statement to be recorded with the bureau of conveyances. Establishes mandatory provisions for every oceanfront purchaser statement.

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