

STAND. COM. REP. NO.

845

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

2021-2045 HB554 HD2 HSCR HMSO



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:

- (1) 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,


AARON LING JOHANSON, Chair



