STAND. COM. REP. NO.

501

Honolulu, Hawaii , 2023

FEB 16

RE: H.B. No. 1091 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 1091 entitled:

"A BILL FOR AN ACT RELATING TO REAL PROPERTY DISCLOSURES WITHIN SHORELINE AREAS,"

begs leave to report as follows:

The purpose of this measure is to require the disclosure of all existing permitted and unpermitted shoreline erosion control structures, the annual erosion rate, and the current actual setback of all structures for shoreline properties prior to real estate transactions.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Planning and Sustainable Development, University of Hawai'i Sea Grant College Program and Climate Resilience Collaborative, Hawai'i Climate Change Mitigation and Adaptation Commission, Surfrider Foundation, Hawai'i Reef and Ocean Coalition, and two individuals. Your Committee received comments on this measure from the Hawai'i Association of REALTORS.

Your Committee finds that the lack of a sea level rise discount in valuations of real property that lies adjacent to the shoreline indicates that purchasers may be under-prepared for the future challenges and implications of sea level rise and the

ancillary effects of coastal erosion, future flooding, inundation, and storm surges. This measure seeks to strengthen purchaser protections by requiring specified disclosures in transactions for residential real property situated adjacent to the shoreline.

Your Committee has amended this measure by:

- (1) Changing the frame of reference for residential real property subject to the new disclosure requirement from "within the shoreline area as identified by official tax maps," to "adjacent to the shoreline" because "shoreline area", as defined in the Hawaii Revised Statutes, is not identified on official tax maps;
- (2) Deleting the requirement of disclosure of the erosion rate for the property and the current actual setback from the shoreline of all structures on the property, as this data is not yet readily available;
- (3) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1091, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on behalf of the members of the Committee on Water & Land,

LINDA ICHIYAMA, Chair

State of Hawaii House of Representatives The Thirty-second Legislature

HSCR 507

Record of Votes of the Committee on Water & Land

Bill/Resolution No.: HB \091	Committee WAL		Date	02/6-	7/2023
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)					
WAL Member	rs	Ayes	Ayes (WR)	Nays	Excused
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3. CHUN, Cory M.		V			
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5. HASHEM, Mark J.		V			
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TOTAL (8)		8			
	Adopted				
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					