

Honolulu, Hawaii

MAR 01 2012

RE: S.B. No. 2496
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred S.B. No. 2496 entitled:

"A BILL FOR AN ACT RELATING TO LANDOWNER LIABILITY,"

begs leave to report as follows:

The purpose and intent of this measure is to create a cause of action against any person who maintains a property nuisance that causes injury or damage to the person or property of another, and to specify the conditions that constitute a property nuisance.

Your Committee received testimony in support of this measure from five private individuals. Testimony in opposition to this measure was submitted by the Department of Environmental Services of the City and County of Honolulu, and Insurance Auto Auctions. Comments were received by the Department of the Attorney General, and the Department of Design and Construction of the City and County of Honolulu.

Your Committee finds that this measure provides an effective mechanism to protect residential neighborhoods from individual investors who purchase large blocks of property for the purpose of blighting the neighborhood. This practice is called "block busting" with the goal of lowering the overall property values to make it easier for the investor to buy the rest of the surrounding properties in the neighborhood at a lower price.

Your Committee notes the concerns that the language in this measure may be overly broad, vague, or subjective and fails to



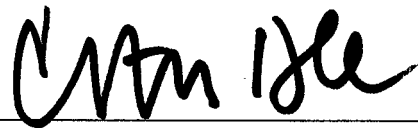
take into account various lawful permitted or zoning activities that may be subject to this measure. Furthermore, testimony indicated that visual blight is subject to a broad interpretation that may be too subjective to effectively give rise to a cause of action. As a result, your Committee encourages stakeholders to discuss these matters and develop language to streamline this measure.

Your Committee has amended this measure by:

- (1) Clarifying the conditions or activities that constitute a property nuisance;
- (2) Adding a definition for "visual blight" to provide further clarity;
- (3) Inserting an effective date of July 1, 2050, to ensure further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2496, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,




CLAYTON HEE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 2496	Committee Referral: JDL	Date: 2/24/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike				✓
IHARA, Jr., Les		✓		
SLOM, Sam	✓			
TOTAL	3	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes