

JAN 27 2016

A BILL FOR AN ACT

RELATING TO REAL PROPERTY TRANSACTIONS.

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

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

9 The legislature finds that numerous court decisions have
10 affirmed that privately owned oceanfront land is lost when
11 shorelines undergo landward retreat and oceanfront properties
12 become smaller. When oceanfront property experiences landward
13 retreat, building setbacks, property values, and insurance
14 availability can be adversely impacted. Another challenge
15 property owners face in Hawaii is the stringent permit
16 requirements imposed by the counties and State for shoreline
17 protection. When shoreline retreat occurs, obtaining a permit



1 to repair or install shoreline protection structures such as
2 seawalls, revetments, geotextile sandbags, or groins can be
3 challenging due to Hawaii's prohibitive coastal zone management
4 policies.

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

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

13 "§508- Oceanfront purchaser statement. (a) Effective
14 July 1, 2016, every sale or transfer of oceanfront property
15 shall include an oceanfront purchaser statement executed by the
16 purchaser or transferee.

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

19 (1) Oceanfront property is at risk of losing square
20 footage if the shoreline retreats due to erosion and



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- 1 flooding, which may affect future permitting
2 decisions;
- 3 (2) Coastal inundation hazard maps and flood insurance
4 rate maps exist for public use;
- 5 (3) Shoreline setback is determined pursuant to chapter
6 205A and the location of the shoreline setback may be
7 affected by shoreline retreat;
- 8 (4) Obtaining permits to repair or install shoreline
9 protection structures may be challenging due to state
10 and federal coastal zone management programs and
11 should be viewed as a last resort;
- 12 (5) The public enjoys a right of access to Hawaii's
13 shorelines, including the right of transit along the
14 shorelines pursuant to section 115-4; and
- 15 (6) The department of land and natural resources may
16 require a landowner to remove encroaching vegetation
17 if a landowner's human-induced, enhanced, or
18 unmaintained vegetation interferes or encroaches on a
19 beach transit corridor pursuant to section 115-10.



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1 (c) The department of land and natural resources shall
 2 develop an oceanfront purchaser statement form for public use
 3 and make the document available on the department's website.

4 (d) All oceanfront purchaser statements shall be notarized
 5 and recorded in the bureau of conveyances.

6 (e) The department of land and natural resources may adopt
 7 rules pursuant to chapter 91 necessary for the purposes of this
 8 section, including but not limited to defining oceanfront
 9 property."

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval.

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Report Title:

Oceanfront Property; Oceanfront Purchaser Statement; Bureau of Conveyances; Department of Land and Natural Resources

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. Requires the department of land and natural resources to develop an oceanfront purchaser statement form.

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