

Honolulu, Hawaii

FEB 07 , 2020

RE: H.B. No. 1653
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1653 entitled:

"A BILL FOR AN ACT RELATING TO RESIDENTIAL REAL PROPERTY,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require a residential real estate purchase contract to include a time period for the potential buyer to inspect cesspools and septic tanks, and review building permit and final inspection records, before becoming obligated under the contract to purchase the property; and
- (2) Impose penalties for failure to disclose unpermitted work or open permits in a mandatory seller's disclosure statement and authorize buyers to recover the costs of remedying any nondisclosed unpermitted work on the property.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee finds that the Department of Health and Department of Business, Economic Development, and Tourism receive approximately \$1,100,000 in annual federal grants for the Coastal



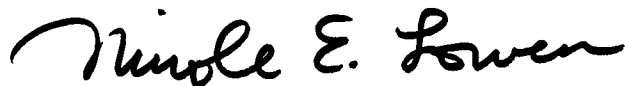
Nonpoint Pollution Control Program pursuant to the Coastal Zone Act Reauthorization Amendments of 1990. This funding is contingent on the State taking measures to address and minimize polluted runoff, including runoff from individual wastewater systems.

Your Committee has amended this measure by:

- (1) Deleting the contents relating to residential real estate purchase contracts, mandatory seller's disclosure statement requirements, and recovery of costs;
- (2) Inserting language to establish a Time of Transfer Individual Wastewater Inspection Program within the Department of Health to oversee the inspection and repair of any individual wastewater system at the time of sale or transfer of ownership of residential real property attached to the wastewater system;
- (3) Changing its effective date to July 1, 2050, 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1653, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



