

STAND. COM. REP. NO.

1750

Honolulu, Hawaii

APR 06 2023

RE: H.B. No. 1091
H.D. 2
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1091, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to require disclosure of all existing permitted and unpermitted erosion control structures on the parcel and the annual coastal erosion rate for the zoning lot in real estate transactions when residential real property lies adjacent to the shoreline.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, University of Hawai'i System, Office of Planning and Sustainable Development, and one individual. Your Committee received comments on this measure from the Hawai'i Association of REALTORS.

Your Committee finds that the vulnerability of coastal properties due to erosion and flooding from seasonal waves and storms is increasing with sea level rise. It is critical that buyers of coastal property in the State understand the hazards and risks they are assuming in purchasing oceanfront property. Therefore, this measure requires real estate disclosures to



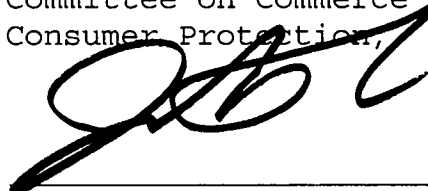
include certain erosion and erosion control information to support informed decision-making by buyers and government agencies.

Your Committee acknowledges the concerns raised in testimony that a seller may not have knowledge of or control over structures on state land and thus would be unable to disclose the existence of those structures. However, your Committee notes that erosion control structures are typically conspicuous and large in size, and it is unlikely that homeowners are unaware of their existence. Accordingly, the existence of these structures should be disclosed when a property is listed for sale. Amendments to this measure are therefore necessary to address these concerns.

Your Committee has amended this measure by clarifying that when residential real property lies adjacent to the shoreline, the seller shall disclose any notices of alleged violation associated with the parcel and any fines for expired permits or unpermitted structures associated with the parcel.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1091, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1091, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,




JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1091 HD2SD1	WTL, CPN	3/29/23		
<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
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	5	0	0	0
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