
A BILL FOR AN ACT

RELATING TO MANAGED RETREAT.

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

1 SECTION 1. The legislature finds that the urgent and
2 escalating threats posed by climate change, particularly in the
3 form of coastal erosion, endangers the State's natural
4 resources, public access to its cherished coastlines, and the
5 well-being of its communities. The legislature also finds that
6 the impacts of climate change require innovative and proactive
7 measures to address the challenges of urban sprawl.

8 To address these challenges innovatively, the legislature
9 finds that the creation of a Hawaii coastal commission, under
10 the supervision of the department of land and natural resources,
11 is essential to developing a shoreline buyback program to begin
12 the process of moving people away from eroding shorelines.

13 As collaboration in this area is extremely important, the
14 Hawaii coastal commission will comprise thirteen voting members,
15 including representation from state and county governments and
16 public members, which will ensure a balanced and inclusive
17 decision-making process. The Hawaii coastal commission's



1 mission will be to address the immediate impacts of coastal
2 erosion through the establishment of a shoreline buyback
3 program, which will allow the State to acquire residential
4 properties along eroding coastlines up to one hundred per cent
5 of their assessed fair market value. Eligibility for the
6 buyback program will be limited to residents at or below one
7 hundred per cent of the area median income, who have resided in
8 their primary residence for more than five years, and who can
9 demonstrate active erosion affecting their property. And in a
10 pioneering move toward sustainability, it is the intent of the
11 legislature for the State to have the option to operate acquired
12 properties as long-term rental units, and dedicate the revenue
13 generated to sustain and expand the buyback program.

14 The purpose of this Act is to take steps deemed to be
15 crucial in addressing the challenges posed by climate change,
16 coastal erosion, managed retreat, and it is imperative to foster
17 sustainable long-term housing by establishing the Hawaii coastal
18 commission and creating a shoreline buyback program.

19 SECTION 2. The Hawaii Revised Statutes is amended by
20 adding a new chapter to be appropriately designated and to read
21 as follows:



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"CHAPTER

HAWAII COASTAL COMMISSION

PART I. GENERAL PROVISIONS

§ -1 **Definitions.** As used in this chapter, unless the context otherwise requires:

"Commission" means the Hawaii coastal commission established under section -11.

"Fair market value" means that amount of money that a purchaser willing, but not obliged, to buy an interest in land would pay an owner willing, but not obliged, to sell it, taking into consideration all uses to which the land is adapted or might in reason be applied.

PART II. HAWAII COASTAL COMMISSION

§ -11 **Hawaii coastal commission.** (a) There is established a Hawaii coastal commission within the department of land and natural resources for administrative purposes only. Notwithstanding section 26-34 to the contrary, the commission shall consist of thirteen voting members as follows:

- (1) Five ex officio members, including:
 - (A) The chairperson of the board of land and natural resources, or the chairperson's designee; and



1 (B) Four members, one from each county council, to be
2 appointed by the respective county councils;

3 (2) Two members to be appointed by the president of the
4 senate;

5 (3) Two members to be appointed by the speaker of the
6 house of representatives; and

7 (4) Four members of the public, one each to be appointed
8 by the respective county councils.

9 (b) Notwithstanding section 26-34, appointments to the
10 commission shall not be subject to the advice and consent of the
11 senate. All members of the commission shall be residents of the
12 State. The terms of the commissioners shall be for four years;
13 provided that the initial terms for half of the members
14 appointed under subsection (a) (2), (3), and (4) shall be for two
15 years.

16 (c) The members of the commission shall serve without pay
17 but shall be reimbursed for their actual and necessary expenses,
18 including travel expenses, incurred in carrying out their
19 duties.



1 § **-12 County coastal commissions.** Each county may
2 establish a county coastal commission through ordinance or
3 resolution.

4 § **-13 Rules.** The commission may adopt rules pursuant to
5 chapter 91 to effectuate the purposes of this chapter.

6 **PART III. SHORELINE BUYBACK PROGRAM**

7 § **-21 Shoreline buyback program.** There is hereby
8 established within the commission the shoreline buyback program,
9 in which the commission may purchase eligible properties and
10 transfer those eligible properties to the Hawaii housing finance
11 and development corporation for affordable rental housing.

12 § **-22 Property eligibility.** A property shall be
13 eligible under the shoreline buyback program if:

- 14 (1) The property is zoned as residential;
- 15 (2) The property is located in a special management area,
16 as defined in chapter 205A;
- 17 (3) The property owner has an income of no more than one
18 hundred per cent of the area median income;
- 19 (4) The property is the property owner's primary residence
20 for at least the five years immediately preceding the
21 date of the application; and



1 (5) The property is subject to active coastal erosion.

2 § -23 **Inspection; offer; acceptance.** (a) Upon receipt
3 of a complete application, and after any inspection required by
4 the commission, the commission shall make an offer for the
5 eligible property at one hundred per cent of its fair market
6 value as determined by a licensed appraiser.

7 (b) All eligible properties purchased by the commission
8 under the shoreline buyback program shall be transferred to the
9 Hawaii housing finance and development corporation on the
10 condition that the eligible property shall be used for
11 affordable rental units and all revenues generated from those
12 eligible properties shall be used for the shoreline buyback
13 program."

14 SECTION 3. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so
16 much thereof as may be necessary for fiscal year 2024-2025 for
17 purchasing residential properties through the shoreline buyback
18 program.

19 The sum appropriated shall be expended by the department of
20 land and natural resources for the purposes of this Act.



1 SECTION 4. In accordance with section 9 of article VII of
2 the Hawaii State Constitution and sections 37-91 and 37-93,
3 Hawaii Revised Statutes, the legislature has determined that the
4 appropriations contained in H.B. No. , will cause the state
5 general fund expenditure ceiling for fiscal year 2024-2025 to be
6 exceeded by \$ or per cent. In addition, the
7 appropriation contained in this Act will cause the general fund
8 expenditure ceiling for fiscal year 2024-2025 to be further
9 exceeded by \$ or per cent. The combined total
10 amount of general fund appropriations contained in only these
11 two Acts will cause the state general fund expenditure ceiling
12 for fiscal year 2024-2025 to be exceeded by
13 \$ or per cent. The reasons for exceeding the
14 general fund expenditure ceiling are that:

- 15 (1) The appropriation made in this Act is necessary to
16 serve the public interest; and
17 (2) The appropriation made in this Act meets the needs
18 addressed by this Act.

19 SECTION 5. This Act shall take effect on July 1, 2024.



H.B. NO. **2036**

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INTRODUCED BY:

NMB

JAN 23 2024



H.B. NO. 2036

Report Title:

Hawaii Coastal Commission; County Coastal Commissions; Shoreline Buyback Program; Appropriation; Expenditure Ceiling

Description:

Establishes the Hawaii Coastal Commission and the Shoreline Buyback Program, which permits the Commission to purchase eligible shoreline properties and make those properties available for affordable rental housing. Appropriates funds.

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