

RE: S.B. No. 2670
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii
Sir:

Your Committee on Water and Land, to which was referred S.B. No. 2670 entitled:
"A BILL FOR AN ACT RELATING TO REAL PROPERTY TRANSACTIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to require a vulnerable coastal property purchaser statement to be executed by the purchaser or transferee with the sale or transfer of vulnerable coastal real estate.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Sierra Club of Hawai'i, and Surfrider Oahu. Your Committee received testimony in opposition to this measure from the Hawaii Association of Realtors. Your Committee received comments on this measure from the Hawaii Climate Change Mitigation and Adaptation Commission.

Your Committee finds that coastal property is often vulnerable to hazards, such as coastal erosion and flooding from tsunamis, storms, and high waves. These hazards can be exacerbated by sea level rise and human-caused interruptions to natural sand supply. Owners of coastal property are at risk of losing land when shorelines undergo landward retreat, which negatively impacts building setbacks, property values, and insurance availability. Furthermore, coastal property owners face stringent permit requirements imposed by the counties and State for shoreline protection. This measure enables coastal property purchasers and transferees to better understand the special hazards, permitting requirements, and limitations that may affect the coastal property by requiring a vulnerable coastal property purchaser statement with the sale or transfer of any vulnerable coastal real property.

Your Committee has amended this measure by:

- (1) Inserting an effective date of December 31, 2033, to encourage further discussion; and
- (2) 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 Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2670, S.D. 1, and be referred to your Committees on Judiciary and Commerce, Consumer Protection, and Health.

Respectfully submitted on behalf of the members of the Committee on Water and Land,

KAIALI'I KAHELE, Chair