

Buyers Guide

For Your Natural Hazard Disclosure Report



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What is an NHD Report?

Many real estate transactions in California require a Natural Hazard Disclosure (NHD) report. The NHD report informs consumers about property taxes, natural hazards, and other environmental issues that may be material to a particular real estate transaction. The reported information is collected from public records and is intended to help a buyer make an informed decision about the property purchase.

Understanding the Lingo

Some terms in the NHD report can be complex or technical in nature. Below are some of the more common terms encountered.

1915 Bond – Financing through the issuance of a bond, to fund construction and maintenance of local infrastructure improvements and incorporated into a property tax bill.

Abandoned Mines – California’s rich mineral resources have left a legacy of thousands of mines that were abandoned and often unmapped; they can pose health, safety, or environmental hazards on and around the mine property.

Accelerated Foreclosure – Certain property tax assessments or bond issues may contain liens that have priority over other property taxes; in such cases a delinquent tax payment can trigger an early foreclosure and property sale to pay the lien.

Advisory – General information that guides the reader to additional resources (e.g., “Visit the National Pipeline Mapping System at this website...”).

Airport Influence/Noise Area – Notice if property is within a specified area or distance from airport noise. Proximity to an airport does not necessarily mean the property is exposed to significant aviation noise levels or will not experience aviation noise if more distant; noise level may vary seasonally or with wind conditions.

Assembly Bill 38 – Enacted in 2021, California’s “AB 38” law specifies certain wildfire defensible-space measures and vegetation management needed on a property in certain fire zones. This law could necessitate fire protective home-hardening disclosures when an older home is sold there.

California State Response List – A database maintained by the California Environmental Protection Agency of environmental sites with high priority for cleanup.

Commercial or Industrial Use Zone – An area or district designated by a city or county where manufacturing, commercial, airport uses are permitted.

County- or City-Level Hazards – Unique hazards within a city or county identified by local jurisdictions related to vegetation, landscape, and other geographic or geologic conditions, or caused by climate change. These hazards are defined and often designated on maps in the County or City General Plan “Safety Element.” They are typically regulated and can impact a renovation project or building permit application.

Dam Failure Inundation Zone – An area that could be flooded if an upstream dam breaks or overflows.



Disclosure – A fact specific to the subject property (e.g., “The parcel is IN a Special Flood Hazard Area” or “WITHIN one mile of an active mine”).

Earthquake Fault Zone – An area designated along a geologic fault where the ground surface could rupture if the fault slips in an earthquake.

Electromagnetic Field – An invisible field that occurs naturally around the earth and artificially around modern electrical devices such as a microwave oven, cell phone, wireless charger, home wi-fi network, or electric power line. It can be a consumer concern where an association is suspected between living near electromagnetic fields and contracting some forms of cancer.

Endangered Species – Generally, any plant or animal species classified as endangered or threatened with extinction. Areas of habitat considered essential to the conservation of an endangered species may be designated as “critical habitat” and may require special management considerations or protection.

Energy Efficiency – The ability of a building’s heating or air conditioning (HVAC) system to move air through its ventilation ducts with minimal loss of energy from leakage; regulated by required duct testing and sealing when an HVAC system is upgraded.

Fire Hazard Severity Zone – An area of significant fire hazard based on fuels, terrain, weather, and other relevant factors as designated by CAL FIRE. Certain fire protective measures may be required under state law.

Former Military Ordnance Site – An area where military operations were once conducted and may include common industrial waste (such as fuel), ordnance or other warfare material, unsafe structures to be demolished, or debris for removal.

Gas and Hazardous Liquid Transmission Pipeline – A natural gas transmission pipeline or hazardous liquid pipeline (fuel, corrosives, etc.) as identified in the National Pipeline Mapping System.

Landslide – The downslope movement of rock and soil under the pull of gravity; it may range from gradual slumping to a rapid and life-threatening debris flow (such as mudflow) and can be triggered by natural processes such as earthquake shaking, excessive rainfall, wildfires, or human activity such as construction disturbance or vegetation removal.

Leaking Underground Storage Tanks – A database maintained by the State Water Resources Control Board of environmental sites where an underground fuel tank is known to have leaked its contents in the past.

Liquefaction – The temporary change of a soil from a solid to a fluid-like state during intense and prolonged earthquake shaking. It typically occurs where loose, sandy deposits and groundwater occur together in the shallow soil and can cause a sudden loss of soil strength that can damage structures built above.

Megan’s Law – Notice of availability of registered sex-offender databases maintained by state or local law enforcement agencies.

Mello-Roos Community Facilities District – A levy or tax on the property that is intended to finance construction and/or maintenance of a community benefit.

Methamphetamine Contamination – Health order prohibiting the use or occupancy of a property, because of meth lab contamination.

Mining Operations – Historically, mining operations have been located in remote areas. However, increasing urbanization has resulted in some residential projects being developed near existing and permitted mining operations.

Mold – Along with mushrooms and yeasts, molds are fungi that break down organic material in the environment. Mold requires moisture to grow and multiply. Indoors, mold growth can cause costly property damage and health problems for sensitive people.

Oil and Gas Wells – California is one of the nation’s top petroleum producers; over 200,000 wells have been drilled in the state, with about half still active and the others plugged or abandoned, all of which can pose health, safety, or environmental hazards around the well site.



Property Assessed Clean Energy (PACE) Contract

– A loan secured to the property typically used to finance energy-efficient or water-conserving home improvements or natural hazard mitigation projects. A copy of the contract may be included in the NHD report.

Property Tax Bill – Describes County Ad Valorem charges and direct assessments for the latest tax year, and the capital improvements or services being funded.

Property Tax Estimators – Tools for the buyer to closely estimate the future tax obligation and determine the amount of the Supplemental Tax Bill(s).

Radon – A naturally occurring radioactive gas that comes from the decay of uranium found in nearly all soils. It enters buildings from the ground through openings in the foundation. Long-term exposure to radon can be a factor in determining the risk of developing lung cancer. The Environmental Protection Agency (US EPA) recommends radon testing for all homes.

RCRA Corrective Action Sites – A database maintained by the US EPA of environmental sites where the landowner is required to investigate and clean up hazardous waste contamination.

Right to Farm – Notice if the property is within one mile of “Important Farmland” as designated by the state, where permitted farming operations may create dust, odors, machinery noise, etc.



Senate Bill 63 – Enacted in 2022, California’s “SB 63” law requires mapping of fire zones, which are subject to the requirements of AB 38.

Senior Citizens’ Exemptions – Districts levy special taxes or assessments and may offer exemptions to qualified taxpayers that can result in substantial savings. An application filing, along with annual renewals, may be required.

Solid Waste Information Systems – A database maintained by the California Integrated Waste Management Board of environmental sites that may contain landfills, composting, incinerators, and transfer, storage, disposal, and recycling of solid wastes.

Special Flood Hazard Area – Any type of flood Zone “A” or “V” as designated by the Federal Emergency Management Agency (FEMA). Federally connected lenders require homeowners to maintain flood insurance for buildings in these zones.

Special Tax/Assessment – Charges that are not based on the value of the property. These charges are levied to provide funding for services or improvements that directly benefit the property.

Spills, Leaks, Investigations, and Cleanup – A database maintained by the State Water Resources Control Board of current or historic contaminated sites being investigated, corrected, or assessed.

‘Superfund’ or National Priority List – A database maintained by the federal US EPA of contaminated sites that have the highest priority for cleanup.

Supplemental Property Tax – The county assessor reappraises property upon a change in ownership. This may lead to the issuance of additional tax bills, which reflect the difference between the prior assessed value and the new assessment.

Transfer Fee – Private and/or government taxes and fees that may be triggered when a property is sold.

Tsunami – A series of large ocean waves caused by an undersea earthquake, landslide or volcanic eruption.

Wildland Fire Area – Also called a State Responsibility Area (SRA), this is a rural or suburban area, usually unincorporated, where the state is responsible for wildland fire protection.

This material is not an exhaustive accounting of all Natural Hazard Disclosure report contents and should not be considered legal advice. Please consult a subject matter specialist for further information or definition.