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A BILL FOR AN ACT

RELATING TO ACQUISITIONS UNDER CHAPTER 173A.

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

1           SECTION 1. Chapter 173A, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§173A-    Appraisal of land. (a) The appraisal of land  
5 to be acquired by the State under this chapter may be performed  
6 as follows:

7           (1) The board may review, approve, and accept an existing  
8 appraisal if:

9           (A) The appraisal was completed within one year  
10 before the decision by the board approving the  
11 acquisition of the land; and

12           (B) The board finds that the appraisal was performed  
13 according to accepted professional standards for  
14 appraisals of land; or

15           (2) The board may contract for independent appraisals from  
16 no more than three disinterested appraisers.

H.B. NO. 1390

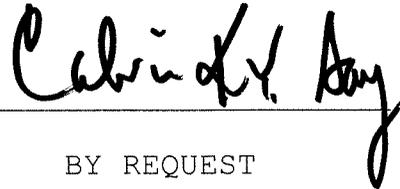
1 No land shall be purchased for a sum greater than the highest  
2 value fixed by the appraiser or appraisals; provided further  
3 that this limitation shall not apply where acquisition is by  
4 condemnation. After the land has been acquired or the board  
5 abandons the acquisition, the appraisal reports shall be  
6 available for inspection and copying by the public.

7 (b) No appraisal shall be required under this section in  
8 the event that an interest in land is donated to the State."

9 SECTION 2. New statutory material is underscored.

10 SECTION 3. This Act shall take effect upon its approval.

11  
12 INTRODUCED BY:



13 BY REQUEST

14 JAN 22 2007

JUSTIFICATION SHEET

DEPARTMENT: Land and Natural Resources

TITLE: A BILL FOR AN ACT RELATING TO ACQUISITIONS UNDER CHAPTER 173A.

PURPOSE: To clarify the appraisal process for state acquisitions of lands having value as a resource to the State under chapter 173A, Hawaii Revised Statutes (HRS).

MEANS: Add a new section to chapter 173A, HRS.

JUSTIFICATION: Chapter 173A, HRS, commonly referred to as the Legacy Lands Program, was established to authorize the Department to acquire lands having value as a resource to the State, including but not limited to lands having natural, environmental, recreational, scenic, cultural, agricultural production, or historic value, and may also include park and trail systems that provide access to any such land.

Ordinarily, when the State acquires private property, section 171-30(e), HRS, requires that not more than three disinterested appraisers, whose services have been contracted for by the State, perform the appraisal of private property to be acquired by the State. In the case of Legacy Lands acquisitions, the window of opportunity to purchase lands is often limited by competing pressures to develop the property due to economic necessity. In those situations, the appraisal requirements of section 171-30(e), HRS, are too restrictive and time-consuming, and may seriously jeopardize the opportunity to secure those lands for the benefit of the public. This bill provides a necessary alternative to that cumbersome process by proposing to give the Department more flexibility to accept, under certain terms, existing appraisals instead of contracting for new appraisals. The

Department could, as an alternative, still elect to contract for independent appraisals from no more than three disinterested appraisers under this bill, if appropriate.

Impact on the public: Would expedite acquisitions of lands having value as a resource to the State since the Department could accept an appraisal by the seller or any other third party without having to contract for its own appraisal prior.

Impact on the department and other agencies: Would provide the Department with an alternative source of appraisal in determining value of land for acquisition under the Legacy Lands Program.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: LNR 402.

OTHER AFFECTED  
AGENCIES: Department of the Attorney General.

EFFECTIVE DATE: Upon approval.