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# A BILL FOR AN ACT

RELATING TO REMNANTS.

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

1           SECTION 1. Section 171-19, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3           "(b) Notwithstanding the above provisions, but subject to  
4 the restrictions contained in section 5(f) of the Admission Act,  
5 whenever the board sells remnants to abutting or non-abutting  
6 owners, the proceeds therefrom including interest on deferred  
7 payments, shall be deposited into the general fund; provided  
8 that such proceeds shall be set apart to the appropriate fund  
9 where mandatory federal requirements affecting federal funds so  
10 require."

11           SECTION 2. Section 171-52, Hawaii Revised Statutes, is  
12 amended to read as follows:

13           "§171-52 Remnant. (a) Definition. The term "remnant"  
14 means a parcel of land economically or physically unsuitable or  
15 undesirable for development or utilization as a separate unit by  
16 reason of location, size, shape, or other characteristics. A  
17 remnant may be:



1 (1) Land acquired by condemnation which is in excess of  
2 the needs for which condemned;

3 (2) [~~Vacated,~~] A vacated, closed, abandoned, or  
4 discontinued road, street or alley or walk, railroad,  
5 ditch, or other right-of-way.

6 (b) Disposition restriction. No parcel shall be disposed  
7 of as a remnant solely for the reason that it lacks an adequate  
8 access.

9 (c) Disposition. Remnants or portions thereof may be  
10 disposed of by the board of land and natural resources without  
11 recourse to public auction in the manner set forth herein. Any  
12 remnant or portion thereof to be disposed of shall be first  
13 offered for sale to the abutting owner for a reasonable period  
14 of time at a reasonable price based on appraised value. In the  
15 event that one abutting landowner lacks access to a street, and  
16 such access can be secured by disposition of the remnant, such  
17 remnant shall be first offered for sale to such abutting owner,  
18 or subdivided so as to protect the access of all abutting  
19 landowners. If there is more than one abutting owner who is  
20 interested in purchasing the remnant, it shall be sold to the  
21 one submitting a sealed bid containing the highest offer above



1 the appraised value. If the remnant abuts more than one parcel,  
2 the board may subdivide the remnant so that a portion thereof  
3 may be sold to each abutting owner at the appraised value;  
4 provided that no remnant shall be sold to any abutting owner  
5 unless the remnant, when combined or consolidated with the  
6 abutting property, shall constitute a lot acceptable to the  
7 appropriate agency of the county in which the remnant lies; and  
8 provided further that appropriate language shall be included in  
9 any document of conveyance of such remnant to assure use of the  
10 remnant in accordance with the applicable ordinances, rules, and  
11 regulations of the county concerned.

12 If, after a reasonable period of time, no abutting owner  
13 chooses to purchase a remnant, the remnant may be offered for  
14 sale to a non-abutting owner at a reasonable price based on  
15 appraised value. If there is more than one non-abutting owner  
16 who is interested in purchasing the remnant, it shall be sold to  
17 the one submitting a sealed bid containing the highest offer  
18 above the appraised value. Appropriate language shall be  
19 included in any document of conveyance of such remnant to assure  
20 use of the remnant in accordance with the applicable ordinances,  
21 rules, and regulations of the county concerned.



1 (d) Appraisal. The value of the remnant or portion  
2 thereof shall be appraised by an independent appraiser, which  
3 appraisal shall take into consideration the limited market for  
4 the remnant and the resulting enhancement to an abutting or non-  
5 abutting owner's property, if applicable, by the addition of the  
6 remnant. The value of a remnant or portion thereof which is  
7 surplus to state highway requirements and is in the inventory of  
8 such surplus remnants as of December 31, 1981, may be appraised  
9 by an employee of the State qualified to appraise lands."

10 SECTION 2. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

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

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INTRODUCED BY:

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Karl Rhoads

JAN 23 2015



# H.B. NO. 650

**Report Title:**

Remnants; Non-abutting Owners

**Description:**

Allows the purchase of remnants by non-abutting owners.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

