### A BILL FOR AN ACT

RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY.

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

- 1 SECTION 1. The purpose of this Act is to enhance the
- 2 cleanliness, upkeep, and safety of federal and state low-income
- 3 public housing projects by authorizing the Hawaii public housing
- 4 authority to timely dispose of property abandoned, seized, or
- 5 remaining upon eviction in or around any federal, elder or
- 6 elderly housing, and state low-income housing projects.
- 7 SECTION 2. Chapter 356D, Hawaii Revised Statutes, is
- 8 amended by adding two new sections to part I to be appropriately
- 9 designated and to read as follows:
- 10 "\$356D-A Disposition of property abandoned, seized, or
- 11 remaining. (a) The authority may sell, donate, or otherwise
- 12 dispose of property abandoned or seized in or at any public
- 13 housing project or elder or elderly housing, as defined in
- 14 section 356D-1, or state low-income housing project, as defined
- 15 in section 356D-51, including property remaining upon eviction,
- 16 upon compliance with this section.

1 The authority shall send notice by certified mail, at 2 least ten calendar days prior to disposition of the abandoned or 3 seized property determined, in good faith, by the authority to be of value, to the address of the owner of the property 4 5 abandoned or seized if the owner is known or can be determined. 6 The notice shall apprise the owner of the identity and location of the property abandoned or seized and of the intent of the 7 authority to sell, donate, or otherwise dispose of the property. 8 9 If the identity or the address of the owner is unknown or cannot 10 be determined, the notice shall be posted on the premises on 11 which the property was abandoned or seized. 12 (c) If the abandoned or seized property has an estimated **13** value of \$500 or more per item, the authority shall also give 14 public notice of the disposition at least once countywide or in 15 a publication of local circulation in the county in which the 16 property was abandoned or seized; provided that the disposition **17** shall take place no fewer than ten days after notice of intent 18 to dispose of the property. The value of the items shall be 19 estimated at the discretion of the authority. 20 (d) The sale of abandoned or seized property having an 21 estimated value of \$500 or more per item, as estimated at the

- 1 discretion of the authority, shall be by public auction through
- 2 oral offers in the county in which the property was abandoned or
- 3 seized. If no bid is received, the property may be disposed of
- 4 as the authority deems appropriate.
- 5 (e) Any person entitled to the abandoned or seized
- 6 property determined to be of value, may repossess the property
- 7 prior to its disposition upon proof of entitlement and payment
- 8 of all unpaid rent, debts, charges, and fines owed to the
- 9 authority and all handling, storage (not less than \$5 per day),
- 10 appraisal, advertising, and any other expenses incurred in
- 11 connection with the proposed disposition of the abandoned or
- 12 seized property.
- 13 (f) The requirements of notice by certified mail, public
- 14 notice, and public auction pursuant to subsections (b), (c), and
- 15 (d) shall not apply when the value of the abandoned or seized
- 16 property is less than \$500 per item. Such property may be
- 17 disposed of as the authority deems appropriate.
- 18 (g) The proceeds of the sale of property abandoned,
- 19 seized, or remaining upon eviction, after deduction of all
- 20 unpaid rent, debts, charges, and fines owed to the authority,
- 21 and all expenses of handling, storage, appraisal, advertising,

- 1 and other sale expenses, shall be first offset against any
- 2 amounts owed by the owner to the authority.
- 3 (h) When a tenant has quit the premises as defined in
- 4 section 521-8, any property in or at the premises left unsold
- 5 after conformance with subsections (a) through (g), or otherwise
- 6 abandoned by the tenant and determined by the authority, in good
- 7 faith, to be of no value may be disposed of at the authority's
- **8** discretion without liability to the authority.
- 9 §356D-B Disposition of surplus proceeds. After the sale
- 10 of property abandoned or seized, including the property
- 11 remaining upon an ordered eviction or writ of possession, the
- 12 authority shall apply the proceeds as provided in section 356D-
- 13 A. If the remaining balance is not claimed by the former tenant
- 14 or owner immediately after the sale, then that balance shall be
- 15 deposited into the authority's appropriate special fund. If
- 16 claimed by the former tenant or owner within six months after
- 17 the sale, the balance shall be paid to the former tenant or
- 18 owner. If after six months no claim is made, the sum shall
- 19 become a government realization to the special fund."
- 20 SECTION 3. Section 356D-94, Hawaii Revised Statutes, is
- 21 amended to read as follows:

- 1 "[+]\$356D-94[+] Eviction. (a) If it is proven to the
- 2 satisfaction of the eviction board that there is cause to
- 3 terminate a lease or rental agreement and evict the tenant, the
- 4 authority shall provide the tenant with a written notice of the
- 5 authority's decision to terminate the tenancy. The notice shall
- 6 inform the tenant that a writ of possession may be issued by the
- 7 authority within ten business days. The notice shall also
- 8 inform the tenant whether the grounds for eviction are
- 9 considered curable and, if so, what the tenant must do to remedy
- 10 the grounds, by when it must be done, and what the tenant must
- 11 do to document for the authority that the grounds have been
- 12 remedied.
- 13 (b) When the grounds for termination of the tenancy may be
- 14 cured by the tenant, the tenant shall have ten business days
- 15 from receipt of the notice provided for in subsection (a) to
- 16 cure the grounds. If the grounds are cured within the ten-day
- 17 period, no writ of possession may be issued. If the grounds are
- 18 not cured within the ten-day period, the authority may issue a
- 19 writ of possession forthwith.
- (c) The authority may adopt rules pursuant to chapter 91
- 21 to define curable and noncurable grounds for eviction. The

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authority may consider a tenant's history in determining 2 noncurable grounds for eviction. A tenant's history may include 3 chronic or consistent delinquency, or repeated violations of the 4 terms of the rental agreement. 5 Enforcement of the order by a writ of possession shall 6 be effected either by an officer appointed by the authority, who 7 shall have all of the powers of a police officer for all action 8 in connection with the enforcement of the order, or by a sheriff or any other law enforcement officer of the State or any county, 9 10 whose duty it shall be to carry out the order. The person 11 enforcing the order shall remove all persons from the premises 12 and put the authority in full possession thereof. **13** (e) Upon eviction, the household goods and personal 14 effects of the person against whom the order is entered, and 15 those of any persons using the premises incident to the person's 16 holding, may be removed from the premises and stored by the **17** authority. If the action is taken, the authority shall have a 18 lien on the property so taken for the expenses incurred by it in 19 moving and storing the same, and the authority is authorized to 20 sell or otherwise dispose of the property if unclaimed after 21 thirty days.]"

1 SECTION 4. Section 356D-56.1, Hawaii Revised Statutes, is 2 repealed. 3 ["[\$356D-56.1] Disposition of abandoned or seized 4 property. (a) The authority may sell, donate, or otherwise dispose of property abandoned or seized in or around any state 5 6 low-income housing project upon compliance with the requirements 7 of this section. 8 (b) The authority shall send notice by certified mail, at 9 least five calendar days prior to disposition of the abandoned 10 or seized property, to the address of the owner of the property 11 abandoned or seized if the owner is known or can be determined. 12 The notice shall apprise the owner of the identity and location 13 of the property abandoned or seized and of the intent of the 14 authority to sell, donate, or otherwise dispose of the property. 15 If the identity or the address of the owner is unknown or cannot 16 be determined, the notice shall be posted on the premises on **17** which the property was abandoned or seized. 18 (c) If the abandoned or seized property has an estimated 19 value of \$500 or more per item, the authority shall also give 20 public notice of the disposition at least once statewide or in a publication of local circulation in the county in which the 21

1 property was abandoned or seized; provided that the disposition 2 shall not take place fewer than five days after the notice of intent to dispose of the property. The value of the items shall 3 be estimated at the discretion of the authority. 4 5 (d) The sale of abandoned or seized property having an 6 estimated value of \$500 or more per item as estimated at the 7 discretion of the authority shall be by public auction through 8 oral offers in the county in which the property was abandoned or 9 seized. If no bid is received, the property may be disposed of 10 as the authority deems appropriate. 11 (e) Any person entitled to the abandoned or seized 12 property may repossess the property prior to its disposition 13 upon proof of entitlement and payment of all unpaid rent, debts, 14 charges, and fines owed to the authority and all handling, 15 storage (not less than \$25 per day), appraisal, advertising, and 16 any other expenses incurred in connection with the proposed **17** disposition of the abandoned or seized property. 18 (f) The requirement of public notice and public auction 19 pursuant to subsections (c) and (d) shall not apply when the 20 value of the abandoned or seized property is less than \$500 per

1 item. Such property may be disposed of as the authority deems 2 appropriate. 3 (g) The proceeds of the sale of abandoned or seized 4 property, after deduction of all unpaid rent, debts, charges, 5 and fines owed to the authority, and all expenses of handling, 6 storage, appraisal, advertising, and other sale expenses, shall 7 be first offset against any amounts owed by the owner to the 8 State. Any amount remaining shall be held in trust for the 9 owner of the property for thirty days, after which time the 10 proceeds shall be paid into the authority's appropriate special 11 fund. 12 (h) The State, its officers, employees, and agents shall not be liable to the owner of abandoned or seized property for 13 14 actions taken pursuant to this section."] SECTION 5. Section 356D-57, Hawaii Revised Statutes, is 15 16 repealed. 17 ["[5356D-57] Disposition of surplus proceeds. After the 18 sale, the authority shall apply the proceeds as provided in section 356D 56. The balance, if any remaining, shall be paid 19 20 over to the former resident or occupant. If the balance is not 21 claimed by the former resident or occupant within thirty days

- 1 after the sale thereof, then the balance shall be paid over to
- 2 the director of finance and shall be kept by the director in a
- 3 special deposit for a period not to exceed six months. If
- 4 claimed by the former resident or occupant during that period,
- 5 it shall be paid to the former resident or occupant. If no
- 6 claim is made during the period, the sum shall become a
- 7 government realization and shall be paid into the general
- 8 <del>fund.</del>"]
- 9 SECTION 6. Section 356D-58, Hawaii Revised Statutes, is
- 10 repealed.
- 11 ["[\$356D-58] Lien attaches to personalty in possession.
- 12 Sections 356D 56 and 356D 57 shall also apply to any personal
- 13 property which, before May 2, 1949, was left in or about any
- 14 public housing project, and was taken into the possession of the
- 15 authority or its predecessor in interest, as herein set forth
- 16 and provided."]
- 17 SECTION 7. In codifying the new sections added by section
- 18 2 of this Act, the revisor of statutes shall substitute
- 19 appropriate section numbers for the letters used in designating
- 20 the new sections in this Act.

- 1 SECTION 8. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 9. This Act shall take effect on July 1, 2050.

#### Report Title:

Hawaii Public Housing Authority; Disposition of Abandoned Property

#### Description:

Expands the Hawaii Public Housing Authority's power to dispose of property seized, abandoned, or remaining upon eviction in and at public housing projects, elder or elderly housing, or state low-income housing projects. (HB768 HD2)

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