

ACT 12

An Act Relating to the Expenditures of Special Land Funds and Amending Sections 99-21, 99-27, and 99-28 of the Revised Laws of Hawaii 1955, and Adding a New Section to be Numbered 99-28.5.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 99-21 of the Revised Laws of Hawaii 1955, is amended to read as follows:

“99-21. Special funds. All proceeds of sale of public lands, for homestead or other purposes, in any county, including interest on the deferred payments and rents under right of purchase leases, and all rents from those general leases derived from lands included within an improvement or development project initiated and approved by the Board of Land and Natural Resources to the extent that said rents from said general leases shall equal the improvement or development cost, shall be set aside as a special fund for the county, and shall be used and disposed of as follows, and in the following order of priority:

(a) To reimburse the revolving fund created by section 99-27 for expenditures therefrom for the improvement or development of lands in the county.

(b) To reimburse the general fund of the state for advancements heretofore or hereafter made therefrom, which are required to be reimbursed from the proceeds of sales or from those general leases derived from lands included within an improvement or development project initiated and approved by the Board of Land and Natural Resources in the county.

(c) To be appropriated by the Board of Land and Natural Resources for the improvement and development of public lands in the county, as provided in Section 99-28.

(d) To be appropriated by the Board of Land and Natural Resources for the acquisition of private property in the county for public use, or the clearing of encumbrances on public lands, as provided in Section 99-22.

(e) To be transferred to the general fund of the State, in such amounts and at such times as the Board of Land and Natural Resources may determine.”

SECTION 2. Section 99-27 of the Revised Laws of Hawaii 1955 is amended to read as follows:

“99-27. Revolving fund. There is hereby created in the treasury of the State a special fund, to be designated as the ‘land development revolving fund’. Expenditures from the fund may be made on vouchers approved by the Board of Land and Natural Resources for the purpose of opening public lands for homesteading or for sale or for general leasing, including surveys, construction of roads, construction of water lines to supply such lands with water, construction of sewer lines, and such other improvements as may be necessary for the development of such lands for homesteading or for sale or for general leasing; provided that the plans and specifications for these projects shall meet with the approval of the city council or the board of supervisors of the county in which the tracts are located, as well as the Board of Land and Natural Resources.

Disbursements from the fund shall be reimbursed from the special land fund of the county in which the land so improved or developed is situated, as provided in Section 99-21, and moneys so reimbursed shall be available for expenditure for the purposes and in the manner above provided.”

SECTION 3. Section 99-28 of the Revised Laws of Hawaii 1955, is amended to read as follows:

“99-28. Land improvements. The Board of Land and Natural Re-

sources may designate from the special land fund of a county such sum of money as is required for the opening of public lands in that county for homesteading or for sale or for general leasing, as provided in Section 99-21, and the same shall thereupon be deemed to be and is appropriated for such purpose, including surveys, construction of roads, construction of water lines to supply such lands with water, construction of sewer lines, and such other improvements as may be necessary for the development of such lands for homesteading or for sale or for general leasing; provided that the plans and specifications for these projects shall meet with the approval of the city council or board of supervisors of the county in which the tracts are located, as well as the Board of Land and Natural Resources.

Such appropriation may be expended by and under the authority of the Board of Land and Natural Resources or may be ordered by it to be transferred to the county in which the land is situated to be expended by and under the authority of the city council or board of supervisors of such county. The Board of Land and Natural Resources, the city council or the board of supervisors, as the case may be, may at any time or times designate any unexpended part of the moneys so appropriated as are no longer required for such purposes, and thereupon the appropriation shall lapse as to such part, which shall then be available for other purposes of the special land fund or for transfer to the general fund, as provided in Section 99-21."

SECTION 4. 99-28.5. There is hereby added to Section 99-28 of the Revised Laws of Hawaii 1955, a new section to read as follows:

"99-28.5. Any provision herein to the contrary notwithstanding, no expenditures may be made from said funds established in Sections 99-21 and 99-27 for an improvement or development project, except for preliminary planning and the preparation of feasibility studies as hereinafter set forth, without express prior legislative approval, unless said project shall be found by the Board of Land and Natural Resources to be self-liquidating over a reasonable period of time, but in no event longer than ten (10) years; provided, however, that in the event said improvement or development project shall be disposed of by general lease, the period of self-liquidation shall in no event be longer than twenty (20) years. As used herein, the term 'self-liquidating' or 'self-liquidation' shall mean with respect to a project that the estimated revenues to be derived from all dispositions of land within the limits of such project shall exceed the total costs for said project, based upon a detailed study of the economic feasibility thereof conducted by such Board with the aid of such professional assistants as said Board may deem to be necessary or advisable.

For the purposes of such feasibility study the total cost of a subject project shall include the reasonable value of the land and all costs to the State which shall be reasonably necessary to complete the improvement and development of such land to its intended use in conformity with a comprehensive land use plan and applicable county land development standards, including all costs for the development of such connecting roads, water and utility lines from the existing termini thereof as may be necessary and desirable for the placement of such land to immediate use following the disposition of the same. Estimated revenues shall be

based upon a market analysis or survey which shall be confined to those revenues which are reasonably to be expected in the then current market from dispositions of land within the limits of such project made subject to the satisfaction of a reasonable building requirement within a period of three (3) years from the date of disposition in the case of houselots and lots for business uses or other undertakings or uses not primarily agricultural in character; provided, however, that in the case of lots for uses primarily agricultural in character such lots shall be disposed of subject to such reasonable improvements as the Board of Land and Natural Resources may require. Provided, however, that the foregoing provisions are not applicable to the following projects:

1. Hilo Lincoln Park
2. Hilo Industrial Lots
3. Waiakea Homestead Residential Lots
4. Kaniahiku Houselots
5. Lalamilo Farm Lots
6. Waimanalo General Project
7. Waianae Kai Project
8. Waiakea Peninsula Project
9. Kapaa Houselots Project

SECTION 5. This Act shall take effect upon its approval.

(Approved July 8, 1960.) **S.B. 12.**