

ACT 203

H.B. NO. 708

A Bill for an Act Relating to Residential Leaseholds.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to amend chapter 516, Hawaii Revised Statutes, by amending section 516-51 and by adding a new section to chapter 516, which clarifies the role of the parties in a chapter 516 eminent domain action.

SECTION 2. Section 516-51, Hawaii Revised Statutes, is amended as follows:

**“§516-51 Preliminary negotiation required.** (a) Upon the filing of a petition by the number of lessees required by section 516-22 with the Hawaii housing authority, the authority shall request the lessor and the lessees or their designated agents to negotiate the just compensation which the lessees will pay to the lessor to acquire the lessor’s interest in the development tract. If no agreement is reached within sixty days after the request to negotiate, the parties shall simultaneously exchange written final offers together with any appraisals, other documents, and any other expert opinions on which their negotiating positions were based. Copies of the final offers and related documents shall be submitted to the authority and the authority may use the information in determining, prior to commencing condemnation proceedings, the probability that lessees will be able to meet the financial requirements of section 516-33(4).

(b) This preliminary negotiation shall be in advance of and shall not constitute any part of any action in condemnation or eminent domain.

Any offers, appraisals, other documents, or any other expert opinions giving a value of the lessor’s interest in the development tract which were prepared for use in preliminary negotiations as provided for in this section or for setting qualification amounts pursuant to section 516-33(4), and were not prepared for use in the trial

shall not be discoverable, usable, or admissible in any action, suit, or proceeding brought under this chapter.”

SECTION 3. Chapter 516, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read:

**“§516- Eminent domain trial.** The parties to the eminent domain action brought under this chapter shall be the authority as plaintiff and the lessees and all other necessary parties as defendants. All parties shall be given an opportunity to present evidence of the fair market value of the leased fee interest being acquired.”

SECTION 4. New statutory material is underscored.<sup>1</sup>

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

(Approved June 7, 1983.)

**Note**

1. Edited pursuant to HRS §23G-16.5.