

A Bill for an Act Relating to Property.

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

SECTION 1. Section 206E-14, Hawaii Revised Statutes, is amended to read as follows:

“[]§206E-14[]] **Sale or lease of redevelopment projects.** (a) The authority may, without recourse to public auction, sell, or lease for a term not exceeding sixty-five years, all or any portion of the real or personal property constituting a redevelopment project to any person, upon such terms and conditions as may be approved by the authority, if the authority finds that the sale or lease is in conformity with the community development plan. [One of]

(b) In the case of residential projects or redevelopment projects, the terms of the sale shall provide for the repurchase of the property by the authority at its option, in the event that the purchaser, if other than a [State] state agency, desires to sell the property within ten years[.], provided that this requirement may be waived by the authority if the authority determines that a waiver will not be contrary to the community development plan. [The repurchase price shall be the original price at which the property was sold by the authority increased by any improvement to the property, valued at cost, made by the purchaser, and an amount equivalent to the decline in the purchasing power of the dollar, if any at the time of sale, as measured by the consumer price index or the cost of living index of the United States Bureau of Labor Statistics, as may be applicable, computed from the date of initial purchase or the addition of an improvement by the purchaser less any depreciation measured on a straight line basis.] The authority shall establish at the time of original sale a formula setting forth a basis for a repurchase price based on market considerations including but not being limited to interest rates, land values, construction costs, and federal tax laws.

If the purchaser in a residential project is a state agency, [it] the authority may include as a term of [its] the sale [of the property purchased from the authority,] a provision for the repurchase of the property in conformance with this section.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved April 30, 1985.)