

ACT 38

S.B. NO. 1017

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 place direct responsibility of payment of lessor's costs upon the lessees when an abandonment of eminent domain proceedings by the housing and community development corporation of Hawaii is due to a lessee's inability, failure, or refusal to comply with the provisions under chapter 516, Hawaii Revised Statutes, or to purchase the leased fee interest condemned.

SECTION 2. Section 516-23, Hawaii Revised Statutes, is amended to read as follows:

“§516-23 Exercise of power of eminent domain. Within twelve months after the designation of all or part of the development tract for acquisition, the housing and community development corporation of Hawaii shall acquire through voluntary action of the parties, or institute eminent domain proceedings to acquire the leased fee interest in the tract or portion so designated; provided that negotiations for acquisition by voluntary transaction shall not be required before the institution of

eminent domain proceedings. Except as otherwise provided in this part, the corporation shall exercise its power of eminent domain in the same manner as provided in chapter 101. If the development tract or applicable portion thereof, as the case may be, is not acquired or eminent domain proceedings are not instituted within the twelve-month period, the corporation shall reimburse the fee owner, the lessor, and the legal and equitable owners of the land so designated for actual out-of-pocket expenses of appraisal, survey, and attorney fees as the owner, the lessor, and the legal and equitable owners may have incurred as a result of the designation[.]; provided that, if the development tract or an applicable portion thereof is not acquired or eminent domain proceedings are not instituted within the twelve-month period as a result of the lessee's dismissal, discontinuance, or withdrawal from the eminent domain proceedings or failure to purchase the leased fee interest condemned because of the lessee's inability, failure, or refusal to comply with any provision under chapter 516 or to purchase the leased fee interest condemned, then such lessee and not the corporation shall be solely responsible to reimburse the fee owner, the lessor, and the legal and equitable owners of the land so designated or condemned, for their respective prorated costs, as described above, which the fee owner, the lessor, and the legal and equitable owners may have incurred as a result of the designation and condemnation.'

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 26, 2001.)