



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

March 3, 2009

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE BILL NO. 1145

COMMITTEE ON FINANCE

House Bill 1145 repeals consolidation and use requirements for sale of a state land remnant and requires that the proceeds from the sale be deposited into the Land Conservation Fund

We support this bill with comments.

While we understand the intent of this bill, we would like to offer an amendment that would exempt the sale of remnants with the State Highway right-of-way (ROW) as State Highway ROW is often acquired through the use of federal funds.

Proceeds from a sale of a highway remnant using federal aid funds to acquire, cannot be used for anything except for highway or transportation related purposes unless so provided for under 23 Code of Federal Regulations (cfr) 710.403 Management:

(d) "Acquiring agencies shall charge current fair market value or rent for the use or disposal of real property interests, including access control, if those real property interests were obtained with title 23 of the United States Code funding, except as provided in paragraphs (d) (1) through (5) of this section. Since property no longer needed for a project was acquired with public funding, the principal guiding disposal would normally be to sell the property at fair market value and use the funds for transportation purposes. The term fair market value as used for acquisition and disposal purposes is as defined by State statute and/or State court decisions."

Exceptions: (1) FHWA approval, when STD clearly shows that an exception is in the overall public interest for social, environmental or economic purposes.....etc.

"(e) The Federal share of net income from the sale or lease of excess real property shall be used by the STD for activities eligible for funding under title 23 of the United States Code. "

Thank you for the opportunity to point out this distinction with remnant lands purchased using FHWA funds.