

JAN 24 2013

A BILL FOR AN ACT

RELATING TO DISPOSITION OF PERSONAL PROPERTY ON PUBLIC HOUSING PROPERTIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 356D-56, Hawaii Revised Statutes, is
2 amended to read as follows:

3 " ~~[] §356D-56 [] Lien on abandoned personalty, sale, etc.~~

4 ~~Whenever the authority has in its possession for four months~~
5 ~~after the termination of any residency or occupancy mentioned in~~
6 ~~this subpart, any personal property that has been left in or~~
7 ~~about any state low income housing project by any person who~~
8 ~~formerly resided in, or occupied a room, dwelling unit, living~~
9 ~~quarters, or space in the state low income housing project, the~~
10 ~~authority may sell the same at public auction. The proceeds of~~
11 ~~sale shall be applied to the payment of its charges for storage~~
12 ~~of the personal property, for public notice and sale, and to the~~
13 ~~payment of other amounts, if any, then due and owing to it from~~
14 ~~the former resident or occupant for rent or for any utility or~~
15 ~~service. Before any sale is made, the authority shall first~~
16 ~~give public notice of the time and place of sale at least two~~
17 ~~times in the county in which the personal property is located.~~

1 ~~The notice shall contain a brief description of the property,~~
2 ~~the name, if known, of the former resident or occupant who left~~
3 ~~the property in or about the housing project; the amount of the~~
4 ~~charges for storage, if any, and the indebtedness, if any, and~~
5 ~~the time and place of the sale. The charges for storage, if~~
6 ~~any, and for notice and sale, and the indebtedness, if any,~~
7 ~~shall be a lien upon the personal property. Notices of several~~
8 ~~sales may be combined and given in one notice, and whenever~~
9 ~~combined and given, the expenses of notice and sale shall be a~~
10 ~~lien and shall be satisfied in ratable proportion according to~~
11 ~~the amount received for each lot of property so noticed for~~

12 ~~sale.] Disposition of abandoned or seized property. (a) The~~
13 ~~authority may sell, donate, or otherwise dispose of property~~
14 ~~abandoned or seized in or around any state low-income housing~~
15 ~~project upon compliance with the requirements of this section.~~

16 ~~(b) The authority shall send notice by certified mail, at~~
17 ~~least five calendar days prior to disposition of the abandoned~~
18 ~~or seized property, to the address of the owner of the property~~
19 ~~abandoned or seized if the owner is known or can be determined.~~
20 ~~The notice shall apprise the owner of the identity and location~~
21 ~~of the property abandoned or seized and of the intent of the~~
22 ~~authority to sell, donate, or otherwise dispose of the property.~~

1 Where the identity or the address of the owner is unknown or
2 cannot be determined, the notice shall be posted on the premises
3 where the property was abandoned or seized.

4 (c) If the abandoned or seized property has an estimated
5 value of \$500 or more per item, the authority shall also give
6 public notice of the disposition at least once statewide or in a
7 publication of local circulation in the county where the
8 property was abandoned or seized; provided that the disposition
9 shall not take place less than five days after the notice of
10 intent to dispose of the property. The value of the items shall
11 be estimated at the discretion of the authority.

12 (d) The sale of abandoned or seized property having an
13 estimated value of \$500 or more per item as estimated at the
14 discretion of the authority shall be by public auction through
15 oral offers in the county where the property was abandoned or
16 seized. Where no bid is received, the property may be disposed
17 of as the authority deems appropriate.

18 (e) Any person entitled to the abandoned or seized
19 property may repossess the property prior to its disposition
20 upon proof of entitlement and payment of all unpaid rent, debts,
21 charges, and fines owed to the authority and all handling,
22 storage (not less than \$25 per day), appraisal, advertising, and

1 any other expenses incurred in connection with the proposed
2 disposition of the abandoned or seized property.

3 (f) The requirement of public notice and public auction
4 pursuant to subsections (c) and (d) shall not apply when the
5 value of the abandoned or seized property is less than \$500 per
6 item. Such property may be disposed of as the authority deems
7 appropriate.

8 (g) The proceeds of the sale of abandoned or seized
9 property, after deduction of all unpaid rent, debts, charges,
10 and fines owed to the authority, all expenses of handling,
11 storage, appraisal, advertising, and other sale expenses, shall
12 be first offset against any amounts owed by the owner to the
13 State. Any amount remaining shall be held in trust for the
14 owner of the property for thirty days, after which time the
15 proceeds shall be paid into the authority's appropriate special
16 fund.

17 (h) The remedies available to the owner of abandoned or
18 seized property are limited to those provided in subsections (e)
19 and (g) of this section. The State, its officers, employees,
20 and agents shall not be liable to the owner of abandoned or
21 seized property for actions taken pursuant to this section."

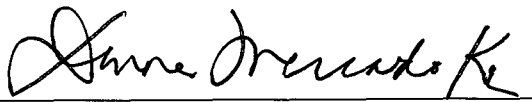
S.B. NO. 1119

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

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

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INTRODUCED BY: 

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BY REQUEST

S.B. NO. 1119

Report Title:

Hawaii Public Housing Authority; Disposition of Abandoned or Seized Property

Description:

Provides the process by which the Hawaii Public Housing Authority may dispose of abandoned or seized property that it has acquired on state public housing projects.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaii Public Housing Authority (Human Services)

TITLE: A BILL FOR AN ACT RELATING TO DISPOSITION OF PERSONAL PROPERTY ON PUBLIC HOUSING PROPERTIES.

PURPOSE: To provide the Hawaii Public Housing Authority (HPHA) with greater ability to dispose of seized or abandoned property in and around state public housing developments.

MEANS: Amend section 356D-56, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Currently, when a tenant vacates the HPHA's state low-income public housing developments, statute requires that the HPHA retain possession of such personal articles for a period of four months after termination of occupancy prior to disposing of them at auction. While the statute authorizes the HPHA to place a lien on the personal property and to recover fees relating to storage and re-possession of the articles by the former tenant, costs incurred by this process far outweigh any benefits to the public. In practice, when a tenant has been evicted and has abandoned possessions at the HPHA's facilities, such possessions are of little value and it is more costly and onerous on state housing managers to process a lien, arrange storage, and follow the notice and auction processes required by current law.

The HPHA proposes a more streamlined process that takes into account the realities of the situation regarding abandoned property at state public housing projects. When a tenancy is terminated, it is either upon notice by the tenant or the authority in excess of thirty days, or by eviction

through the judicial eviction process. Both situations provide the tenant with ample notice regarding potential loss of occupancy and with ample time to seek arrangements for the removal and storage of personal items. Requiring the HPHA to store items for four months is a great administrative burden and cost on the agency, which does not possess storage facilities on site and is unlikely to recover sufficient costs from the abandoned property.

The proposal would enable the HPHA to reduce storage time, and related costs from 30 days, to five days prior to disposition. Further, it provides for the HPHA to follow different processes based on the estimated value of the abandoned or seized property, not requiring a public auction where the estimated value of the goods falls below five hundred dollars per item. This would save the HPHA all costs related to storage, notice, and disposition for abandoned articles considered "junk."

Impact on the public: There should be a positive impact on the public as the HPHA will be able to reduce costs resulting from storage of abandoned or seized personal items that are typically unrecoverable, which are statutorily imposed but unfunded. In addition, vacated units that contain abandoned property could be made available for occupancy in less time.

Impact on the department and other agencies:
None.

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|------------------------------|------------|
| GENERAL FUNDS: | None. |
| OTHER FUNDS: | Revolving. |
| PPBS PROGRAM DESIGNATION: | HMS 220. |
| OTHER AFFECTED AGENCIES: | None. |

EFFECTIVE DATE: Upon approval.