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A BILL FOR AN ACT

RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY.

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

1 SECTION 1. Chapter 356D, Hawaii Revised Statutes, is  
2 amended by adding to part II a new section to be appropriately  
3 designated and to read as follows:

4 "§356D- Disposition of abandoned or seized property.

5 (a) The authority may sell, donate, or otherwise dispose of  
6 property abandoned or seized in or around any public housing  
7 project upon compliance with the requirements of this section.

8 (b) The authority shall send notice by certified mail, at  
9 least five calendar days prior to disposition of the abandoned  
10 or seized property, to the address of the owner of the property  
11 abandoned or seized if the owner is known or can be determined.  
12 The notice shall apprise the owner of the identity and location  
13 of the property abandoned or seized and of the intent of the  
14 authority to sell, donate, or otherwise dispose of the property.  
15 If the identity or the address of the owner is unknown or cannot  
16 be determined, the notice shall be posted on the premises on  
17 which the property was abandoned or seized.

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

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

15        (e) Any person entitled to the abandoned or seized  
16 property may repossess the property prior to its disposition  
17 upon proof of entitlement and payment of all unpaid rent, debts,  
18 charges, and fines owed to the authority and all handling,  
19 storage (not less than \$25 per day), appraisal, advertising, and  
20 any other expenses incurred in connection with the proposed  
21 disposition of the abandoned or seized property.

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

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

15        (h) The State, its officers, employees, and agents shall  
16 not be liable to the owner of abandoned or seized property for  
17 actions taken pursuant to this section."

18        SECTION 2. New statutory material is underscored.

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

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21

INTRODUCED BY: 

22

BY REQUEST

# S.B. NO. 1413

**Report Title:**

Public Housing; HPHA; Abandoned Property; Seized Property

**Description:**

Allows the Hawaii Public Housing Authority (HPHA) to sell, donate, or dispose of property abandoned or seized in federal public housing projects. Requires the HPHA to notify the known owner of the abandoned or seized property. Creates procedures for persons entitled to the abandoned or seized property.

*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

**SB. NO. 1413**

DEPARTMENT: Human Services

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY.

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

MEANS: Add a new section to part II of chapter 356D, Hawaii Revised Statutes.

JUSTIFICATION: When the HPHA has abandoned property at the HPHA's federal public housing projects, such possessions are of little value. Having to store the abandoned property creates 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.

This proposal would enable the HPHA to expeditiously dispose of abandoned property. Further, it provides for the HPHA to follow different processes based on the estimated value of the abandoned property, by not requiring a public auction where the estimated value of the abandoned property falls below \$500 per item. This would save the HPHA all costs related to storage, notice, and disposition for abandoned property.

Impact on the public: There should be a positive impact on the public as the HPHA will be able to reduce costs resulting from the storage of abandoned property that are typically unrecoverable, which are statutorily imposed but unfunded.

Impact on the department and other agencies:  
None.

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GENERAL FUNDS: None.

OTHER FUNDS: Special.

PPBS PROGRAM  
DESIGNATION: HMS 220.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.