

**ACT 201**

**S. B. NO. 288**

**A Bill for an Act Relating to the Initiation by the State of Improvement by Assessments.**

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

SECTION 1. Chapter 46, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read:

**“Sec. 46- Improvement districts, initiation by the State.** Notwithstanding any provision of law to the contrary, the respective legislative bodies of the counties may, upon the petition of the state department of transportation, create, define and establish improvement districts according to applicable assessment statutes or ordinances, for any betterment or improvement proposed by the state department of transportation. The petition of the department of transportation shall include the necessary surveys, maps, plans and other data for the betterment or improvement. Upon approval of the petition by the legislative body of the county, the county shall proceed in the same manner as though the plan for the proposed construction or improvement had been initiated by the legislative body of the county on its own motion, provided that the county may abandon the proceedings prior to adoption of the resolution creating the improvement district.

The provisions of the assessment statutes or ordinances shall be applicable to the proposed construction or improvement insofar as practicable, provided that the costs thereof shall be assessed against the land specially benefited either on a frontage basis, according to area of the land within the improvement district, or on the basis of assessed valuation for real property tax purposes, or any combination thereof.

The state department of transportation shall assume, except for the cost to be borne by the board of water supply of the county, the cost of construction or improvement which would have been assumed by the county had the project been initiated by the county, including the costs and incidentals necessary to process the project, and the costs allocable to state land and land exempted by the improvement district statutes from the payment of improvement assessments; provided that where lands owned by the county, including the board of water supply of the county, form part of the improvement district, the county or the board of water supply of the county, whichever is applicable, shall pay the costs allocable to such lands. Nothing contained herein however, shall be construed to prohibit any county from participating in the costs of an improvement district which is initiated upon petition by the department of transportation.

Upon filing the petition for the creation of an improvement district, the department of transportation shall deposit with the county an amount adequate to cover the administrative costs of the county. In addition, the department of transportation shall from time to time upon request of the county deposit the necessary sums to cover the costs of acquiring land required for the project. Upon award of any contract, either for the entire project or separately for the different kinds of work to be performed, the department of transportation shall deposit with the county the amount the State is obliged to pay towards the contract price; provided that, if the completion of the contract will extend beyond the fiscal year in which the contract is executed, the department of transportation may deposit with the county, if the contract is to be completed during the next succeeding fiscal year, at least fifty per cent or, if the contract by its terms will not be completed until beyond the next succeeding

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fiscal year, at least thirty-three and one third per cent of the amount the State is obliged to pay toward the contract price.”

**SECTION 2.** This Act shall take effect upon its approval.

(Approved June 19, 1972.)