

ACT 147

S.B. NO. 1824-76

A Bill for an Act Relating to the Appraisal of Public Lands.

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

SECTION 1. Section 171-17, Hawaii Revised Statutes, is amended to read:

“Sec. 171-17 Appraisals. (a) Public auction. The appraisal of public lands for sale or lease at public auction for the determination of the upset price may be performed by an employee of the board of land and natural resources qualified to appraise lands, or by one but not more than three disinterested appraisers whose services shall be contracted for by the board; provided, that the upset price or upset rental shall be determined by disinterested appraisal whenever prudent management so dictates. No such lands shall be sold or leased for a sum less than the value fixed by appraisal; provided, that for any sale or lease at public auction, the board may establish the upset sale or rental price at less than the appraisal value set by an employee of the board and the land may be sold or leased at that price. The board shall be reimbursed by the purchaser or lessee for the cost of any appraisal required to be made by a disinterested appraiser or appraisers contracted for by the board.

(b) Drawing or negotiation. The sale price or lease rental of lands to be disposed of by drawing or by negotiation shall be no less than the value determined by a disinterested appraiser or appraisers whose services shall be contracted for by the board, and such appraisal, and any further appraisal made at the request of the purchaser and with the approval of the board, shall be at the cost of the purchaser.

(c) Repurchase. In the repurchase of any land by the board, the board shall have the option to repurchase the land for the original sale price or the fair market value at the time of repurchase, whichever is the lower. Any improvements affixed to the realty shall be purchased at their fair market value. At the time of the repurchase, the fair market value of the land, and the im-

provements, if any, shall be determined by a qualified appraiser whose services shall be contracted for by the board; provided, should the owner fail to agree upon the value, he may appoint his own appraiser who together with the board's appraiser shall appoint a third appraiser, and the value shall be determined by arbitration as provided in chapter 658. The owner shall pay for all appraisal costs, except that the cost of the third appraiser shall be borne equally by the purchaser and the board.

(d) Reopening. In the event of reopening of the rental to be paid on a lease, the rental for any ensuing period shall be the rental for the immediately preceding period or the fair market rental at the time of reopening, whichever is the higher. At the time of reopening, the fair market rental shall be determined by an appraiser whose services shall be contracted for by the board; provided, that should the lessee fail to agree upon the fair market rental, he may appoint his own appraiser who together with the board's appraiser shall appoint a third appraiser and the fair market rental shall be determined by arbitration as provided in chapter 658. The lessee shall pay for his own appraiser, the board shall pay for its appraiser, and the cost of the third appraiser shall be borne equally by the lessee and the board.

(e) Purchase. The appraisal of private property to be acquired by the board may be performed by one but not more than three disinterested appraisers whose services shall be contracted for by the board and no land shall be purchased for a sum greater than the highest value fixed by the appraiser or appraisers; provided, that the board may, after a review of the appraisals by the appraiser or appraisers or the attorney general, purchase the property at a value greater than the highest value if the higher value is determined by the appraiser or appraisers or the attorney general to be justified and within the range of market value; provided further that this limitation shall not apply where acquisition is by condemnation.

(f) Whenever more than one appraiser is appointed each shall prepare and submit an independent appraisal. All appraisal reports shall be available for study by the public."

SECTION 2. Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

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

(Approved May 27, 1976.)

*Edited accordingly.