

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

Amendments to Chapter 15-20,
Hawaii Administrative Rules

January 9, 2002

SUMMARY

1. A new subchapter 9 is added.

SUBCHAPTER 9

IMPROVEMENT DISTRICT 10

§15-20-42 Improvement district 10. The boundary of the assessment district, the assessment methods, the improvement to be constructed, the cost, the portion of the cost to be borne by the authority, the utility companies and the property owners, together with the lands to be condemned and the rate of assessments, are set forth in an assessment report of plans and details for the permanent improvement of the streets and utilities for improvement district 10 of the Kakaako community development district. The Assessment Report dated November 2001 is made a part of this subchapter. [Eff 2/4/02] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-43 Definitions. As used in this subchapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Eleemosynary organization" means a society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes, whose charter or other enabling act contains a provision that, in the event of dissolution, the land owned by such society, association, or corporation shall be distributed to another society, association, or corporation engaged in religious, charitable, educational, scientific, literary, or other benevolent purposes. [Eff 2/4/02] (Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

§15-20-44 Public land or land exempt from taxation.
 (a) All lands situated within any assessment area shall be subject to improvement assessments, except the following:

- (1) Public lands, except lands owned by the board of water supply;
- (2) Any land, which by law is exempted from improvement assessments; or
- (3) Any land, exempted by law from the payment of property taxes, which is owned by an eleemosynary organization.

The authority shall pay toward the portion of the cost of improvements, which would otherwise be assessed to the aforementioned exempt lands as if such lands were privately owned or not exempt from assessments.

(b) Except for public lands, if any portion of the aforementioned exempt lands in subsection (a) is required for right-of-way or easement purposes within an assessment area, the value thereof shall be chargeable to the assessment area. Upon acquisition, the authority shall compensate the owner of such lands as follows:

- (1) If the value of the acquired portion, including severance damages, exceeds the improvement cost that would otherwise be assessable against the exempt land, the authority shall pay the difference to the owner; or
- (2) If the value of the acquired portion is less than the improvement cost that would otherwise be assessable against the exempt land, the value of the acquired portion shall be deducted from the improvement cost and the authority shall pay the balance of the assessment as provided herein.

(c) In the event all or a portion of the land exempted from assessments as provided in subsection (a) is sold or leased after the establishment of an assessment area, the following shall take effect:

- (1) The grantee or the lessor, as the case may be, shall assume the payment of assessments from the date of such sale or lease in the same manner as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease; and
- (2) All payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund.

Nothing in this section shall be taken to prejudice any rights of the State to reimbursement from the United States for assessments herein assumed by the State, but the latter shall be subrogated to the rights of the authority on such assessments so assumed.

(d) In the event lands utilized by the public for roadway purposes at the time an assessment area is established are thereafter sold or leased, the following shall take effect:

- (1) Such land area shall be assessed at the same rates and methods as set forth in the assessment report for properties within the assessment area; and
- (2) The grantee or lessor, as the case may be, shall assume the payment of the assessment from the date of such sale or lease as if the property had not been exempted from assessments and as if assessments proportionable against the property had been paid in installments to such date of sale or lease.

The authority shall not be required to adjust assessments against other properties within the assessment area in the application of the provisions of this subsection (d), and all payments received from such grantee or lessor, as the case may be, shall be paid into the Hawaii community development revolving fund. [Eff 2/4/02] Auth: HRS §§206E-4, 206E-6) (Imp: HRS §§206E-4, 206E-6)

Amendments to chapter 15-20, Hawaii Administrative Rules, on the summary page dated January 9, 2002, were adopted on January 9, 2002, following a public hearing on January 9, 2002, after public hearing notices were given in the RFD Publications Inc. and the Honolulu Star-Bulletin on December 10 and 17, 2001 and the Honolulu Advertiser on December 10 and 17, 2001.

These amendments shall take effect ten days after filing with the Office of the Lieutenant Governor



JAN S. YOKOTA
Executive Director
Hawaii Community Development
Authority



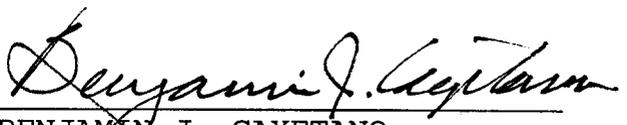
SEIJI F. NAYA
Director
Department of Business,
Economic Development &
Tourism

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APPROVED AS TO FORM:



DEPUTY ATTORNEY GENERAL



BENJAMIN J. CAYETANO
Governor
State of Hawaii

Date: 1-24-02

JAN 25 2002

Filed