STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

October 10, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii HAWAII

Request to Write-Off Uncollectible Account on the Island of Hawaii

BACKGROUND:

Pursuant to Section 4-82, Hawaii Revised Statutes, the directors, boards, or executive heads of executive departments may from time to time prepare and submit for review of the Attorney General a list of all uncollectible accounts in their departments. Such accounts as the Attorney general finds to be uncollectible shall be entered in a special record and be deleted from the accounts receivable records of the departments, which shall thereupon be relieved from any further accountability for their collection.

The following balance have been deemed uncollectible:

GL 3618 Laupahoehoe Transportation Co.

Waiakea, Hawaii

Amount owing: $18,805.92

In 1996, the lessee was defaulted for failing to keep rental payments current and failing to post the required performance bond. At its meeting of December 13, 1996 (Item D-18), the Board deferred staff's recommendation to cancel the lease due to the lessee's disclosure of mortgages encumbering the property.

At its meeting of April 11, 1997 (Item D-12), the Board gave the lessee 60 days to remove underground fuel storage tanks on the property, pay delinquent rents and obligations, and provide current performance bond under the lease.

At its meeting of August 11, 1997 (Item D-4), the Board granted an extension of 60 days for lessee to comply with the conditions imposed at the Board's meeting of April 11, 1997. The reason for the extension was to give lessee additional time to work out a sale of the business and an assignment of the lease to an interested buyer. However, the sale was not

completed and the lessee failed to fulfill the conditions within the time allowed.

On December 12, 1997, the Chairperson executed a Cancellation of General Lease No. S-3618. Staff secured possession of the premises on December 23, 1997. Unpaid rent and other amounts chargeable to the lessee under the lease amounted to $18,805.92.

In September 2005, Medcah notified the Department it is unable to locate the debtor. The debtor skipped.

RECOMMENDATION:

That the Board approve of and recommend to the Attorney General that the above listed uncollectible accounts be deleted from the Department of Land and Natural Resources accounts receivable and placed in a special record and that, should any account so listed become collectible, that such account be transferred back to the current accounts receivable.

Respectfully Submitted,

Charlene E. Unoki

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Assistant Administrator

APPROVED FOR SUBMITTAL:

Laura H. Thielen, Chairperson