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# A BILL FOR AN ACT

RELATING TO STATE LIBRARIES.

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

1 SECTION 1. Section 312-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "**§312-2 Powers of board; special fund.** The board of  
4 education may:

- 5 (1) Except as provided in section 312-3.9, make  
6 arrangements or contracts as are approved by the  
7 governor, with any county, city, association, society,  
8 person, or persons, for the purpose of benefiting the  
9 libraries and increasing their facilities and use;
- 10 (2) Subject to section 26-12, enter into such arrangement  
11 or contract as is approved by the governor, with the  
12 Friends of the Library of Hawaii, or any nonprofit  
13 corporation whose sole purpose is to support and  
14 benefit a specific library branch within the Hawaii  
15 state public library system, for the purpose of  
16 obtaining the use of the books and property and income  
17 of the Friends of the Library of Hawaii[+] or the  
18 nonprofit corporation;



1 (3) Cooperate by exchange and otherwise with libraries now  
2 existing or hereafter to be formed;

3 (4) Receive, use, manage, or invest moneys or other  
4 property, real, personal, or mixed which may be given,  
5 bequeathed, devised, or in any manner received from  
6 sources other than the legislature or any federal  
7 appropriation for any or all purposes of the  
8 libraries;

9 (5) Deposit with the director of finance in a special fund  
10 all moneys donated to the board for library services;

11 (6) Unless otherwise provided for by the terms and  
12 conditions of the donation, convert, at such time as  
13 the board may at its sole discretion determine, any or  
14 all donations of property, real, personal, or mixed,  
15 into money to be deposited into the special fund; and

16 (7) Expend the moneys in the special fund in accordance  
17 with the terms and conditions of each donation for the  
18 purposes of the libraries.

19 The board shall be the trustee of the special fund and all  
20 moneys therein shall be deemed to have been appropriated to the  
21 use and for the purposes of the board in providing library  
22 services. Nothing in this section shall be construed to limit



1 the powers and duties of the board hereinbefore expressed, or to  
2 empower the board to obligate the State financially in any sum  
3 which shall not have been appropriated by the legislature for  
4 the use of the board."

5 SECTION 2. Section 312-3.6, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7 "(a) There is established in the state treasury a  
8 libraries special fund into which shall be deposited all moneys  
9 collected pursuant to ~~[section]~~ sections 312-3.5[7] and 312-3.8,  
10 and all moneys designated to be paid to this fund pursuant to  
11 section 235-102.5(c)."

12 SECTION 3. Section 312-3.8, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "~~§312-3.8 [Hawaii state library foundation and friends of~~  
15 ~~the library of Hawaii concessions, use]~~ Use of public library  
16 facilities. (a) Notwithstanding any law to the contrary, the  
17 Hawaii state public library system, through the state librarian,  
18 and in consultation with the head librarian of each library  
19 branch, shall be authorized to issue licenses, revocable  
20 permits, concessions, or rights of entry to ~~[the Hawaii state~~  
21 ~~library foundation and]~~ the friends of the library of Hawaii or  
22 any nonprofit corporation whose sole purpose is to support and



1 benefit a specific library branch in the Hawaii state public  
2 library system for the use of public library system facilities  
3 and grounds and for such periods of use as deemed appropriate by  
4 the state librarian. All such dispositions, including those in  
5 excess of fourteen days, need not be approved by the board of  
6 land and natural resources; provided that approval by the board  
7 of land and natural resources shall be required when such  
8 dispositions are for periods in excess of one year.

9 (b) Notwithstanding any law to the contrary, all net  
10 income or proceeds received [~~by the Hawaii state library~~  
11 ~~foundation and the friends of the library of Hawaii~~] from the  
12 operation of any concession, vending machine, or other for-  
13 profit business enterprise within, or on the grounds of, any  
14 state library facility shall be deposited into the [~~Hawaii state~~  
15 ~~library foundation trust fund or the friends of the library of~~  
16 ~~Hawaii trust fund, as appropriate.~~] libraries special fund  
17 established pursuant to section 312-3.6. All funds deposited  
18 into the [~~trust funds,~~] special fund, including income and  
19 capital gains earned therefrom, shall be used exclusively for  
20 state library programs.

21 (c) Nothing in this section shall be construed to require  
22 a library within the Hawaii state public library system to issue



1 a license, revocable permit, concession, or right of entry  
2 pursuant to this section in order for an entity to establish a  
3 nonprofit corporation whose sole purpose is to support and  
4 benefit that specific library or to donate funds exclusively to  
5 that specific library.

6 (d) Any book sale held within, or on the grounds of, any  
7 state library facility shall not constitute a concession for  
8 purposes of this section."

9 SECTION 4. Section 312-3.7, Hawaii Revised Statutes, is  
10 repealed.

11 [~~§312-3.7 Hawaii state library foundation trust fund.~~

12 ~~(a) There is established as a separate fund of the Hawaii state~~  
13 ~~library foundation, a Hawaii nonprofit corporation, the Hawaii~~  
14 ~~state library foundation trust fund. All funds contributed to~~  
15 ~~the trust fund, including income and capital gains earned~~  
16 ~~therefrom, shall be used exclusively for state library programs~~  
17 ~~as defined in the articles, bylaws, resolutions, and other~~  
18 ~~instruments executed on behalf of the Hawaii state library~~  
19 ~~foundation or by the state librarian. The trust fund may~~  
20 ~~receive any and all types of private contributions, and the~~  
21 ~~income and capital gains earned by the fund, provided that funds~~  
22 ~~or properties donated for library use and patrons' deposits~~



1 ~~shall be deposited and accounted for in accordance with rules~~  
2 ~~adopted by the comptroller. The trust fund shall be subject to~~  
3 ~~the following restrictions:~~

4       ~~(1) All funds, and the income and capital gains earned by~~  
5             ~~investment of those funds, shall be expended only for~~  
6             ~~the support of state library programs; and~~

7       ~~(2) Other restrictions imposed by the legislature with~~  
8             ~~respect to the transfer or appropriation of funds.~~

9       ~~(b) Any funds deposited in the trust fund, and any income~~  
10           ~~and capital gains earned therefrom, not used for state library~~  
11           ~~programs, shall be invested in accordance with the provisions of~~  
12           ~~the articles, bylaws, resolutions, or other instruments executed~~  
13           ~~on behalf of the Hawaii state library foundation, and in a~~  
14           ~~manner intended to maximize the rate of return on investment of~~  
15           ~~the fund.~~

16       ~~(c) If the trust fund is terminated or the Hawaii state~~  
17           ~~library foundation is dissolved, all funds, including the income~~  
18           ~~and capital gains earned by the investment of funds, shall be~~  
19           ~~distributed in accordance with the articles and bylaws of the~~  
20           ~~Hawaii state library foundation.~~

21       ~~(d) The Hawaii state library foundation shall require an~~  
22           ~~annual audit of the trust fund, the results of which shall be~~



1 ~~submitted to the department of education not more than thirty~~  
2 ~~days after receipt by the foundation. The foundation shall~~  
3 ~~retain for a period of three years, any documents, papers,~~  
4 ~~books, records, and other evidence that is pertinent to the~~  
5 ~~trust fund, and permit inspection or access thereto by the~~  
6 ~~department of education, the state librarian, the department of~~  
7 ~~accounting and general services, state legislators, and the~~  
8 ~~state auditor, or their duly authorized representatives.~~

9 ~~(e) The purpose of this section is to create by statute a~~  
10 ~~private charitable trust fund to financially support state~~  
11 ~~library programs. The trust fund shall be subject to the terms~~  
12 ~~and conditions provided in this section. The trust fund shall~~  
13 ~~not be placed in the state treasury and the State shall not~~  
14 ~~administer the fund nor be liable for its operation or solvency.~~  
15 ~~The fund shall be a private charitable trust fund administered~~  
16 ~~by a private trust company as trustee." ]~~

17 SECTION 5. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

19 SECTION 6. This Act shall take effect on July 1, 2050.



**Report Title:**

State Libraries

**Description:**

Permits the Hawaii State Public Library System to allow nonprofit corporations whose sole purpose is to support and benefit a specific library branch use of public library system facilities and grounds. Repeals the Hawaii state library foundation trust fund. Effective July 1, 2050. (SB2994 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

