

STAND. COM. REP. NO. 2762

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2994
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2994, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE LIBRARIES,"

begs leave to report as follows:

The purpose and intent of this measure is to make public library facilities available for use by tax-exempt organizations formed for the purpose of supporting the libraries.

More specifically, this measure would require the head librarian of each library branch in the Hawaii State Public Library System to issue licenses, revocable permits, concessions, or rights of entry for the use of the facilities and grounds of that library to the Friends of the Library of Hawaii and any tax-exempt nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code whose primary purpose is to support a library within the Hawaii State Public Library System.

Written comments in support of this measure were submitted by the Kuli'ou'ou Kalani Neighborhood Board No. 2 and three hundred seventy-one individuals. Written comments in opposition of this measure were submitted by the Mountain View Friends of the Library; Friends of the Library, Kona; Friends of the Library; Friends of Kailua Library; Friends of Waialua Library; Friends of the Library of Hawaii Board; Friends of the North Shore Library; Friends of the Library of Hawaii; and one hundred seventy individuals.



Your Committee finds that any entity that is a nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code should be allowed to support a library in its community. Existing law authorizes the State Librarian to issue licenses, revocable permits, concessions, and rights of entry to only two specific entities. However, your Committee believes that the original intent of the existing law was to create ways to best support public libraries by encouraging public-private partnerships at the community level.

As such, your Committee has amended this measure by:

- (1) Amending section 312-2, Hawaii Revised Statutes, to clarify that the Board of Education may enter into an agreement with any tax-exempt nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code to obtain the use of the books and property and income of that nonprofit corporation;
- (2) Amending section 312-3.6, Hawaii Revised Statutes, to authorize the deposit of moneys collected pursuant to section 312-3.8, Hawaii Revised Statutes, into the libraries special fund;
- (3) Amending section 312-3.8, Hawaii Revised Statutes, to:
 - (A) Require the head librarian of each library branch and the State Librarian to consult with the Board of Education when issuing licenses, revocable permits, concessions, or rights of entry for the use of library facilities and grounds;
 - (B) Remove the requirement that the head librarian of each library branch issue licenses, revocable permits, concessions, and rights of entry to the Friends of the Library of Hawaii and authorizing, rather than mandating, the head librarian of each library to do so;
 - (C) Remove all references to the Friends of the Library of Hawaii;
 - (D) Require the Board of Education to determine the amount of net income or proceeds received from the operation of any concession, vending machine, or



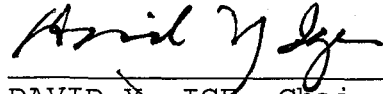
other for-profit business enterprise within or on state library facilities that shall be deposited into the libraries special fund;

- (E) Clarify that nothing in section 312-3.8, Hawaii Revised Statutes, shall be construed to require a library to issue a license, permit, concession, or right of entry in order for any entity to establish a tax-exempt nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code whose primary purpose is to support and benefit that library or to donate funds exclusively to that library;
 - (F) Clarify that book sales held within, or on the grounds of, any state library facility shall not constitute a concession; and
 - (G) Require the Board of Education to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to carry out the purposes of section 312-3.8, Hawaii Revised Statutes;
- (4) Repealing section 312-3.7, Hawaii Revised Statutes, which established the Hawaii State Library Foundation Trust Fund;
 - (5) Changing the effective date to July 1, 2050, to facilitate further discussion of the measure; and
 - (6) Making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2994, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2994, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <i>SB 2994, SD1</i>	Committee Referral: <i>EDU, WAM</i>	Date: <i>2²⁹ 2-28-12</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado				✓
KAHELE, Gilbert	✓			✓ <i>munk</i>
KOUCHI, Ronald D.	✓			
RYAN, Pohai			✓	
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
TOTAL	11	0	1	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes