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# A BILL FOR AN ACT

RELATING TO PUBLIC LIBRARIES.

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

1           SECTION 1. Chapter 312, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§312-     Pilot program for lease of public library land.

5           (a) There shall be established a pilot program for the lease of  
6 public library land, including facilities. The state librarian,  
7 in consultation with the board of education and any other  
8 appropriate agency, shall serve as the facilitator of the pilot  
9 program.

10           (b) Notwithstanding sections 171-13, or any other law to  
11 the contrary, the board of education may lease public library  
12 land on terms it deems appropriate, including a leaseback of all  
13 or a portion of the improvements constructed; provided that:

14           (1) The board may identify and select up to five public  
15 library land sites as candidates for participation in  
16 the pilot program; provided that:



- 1           (A) During the identification and selection process,  
2           the board shall be subject to chapter 92, shall  
3           hold at least one public meeting in each affected  
4           community, and shall foster library and community  
5           participation; and
- 6           (B) If the site is on land owned by the county, the  
7           department shall consult with the county;
- 8       (2) The board of education may lease public library land  
9       for no more than three public library land sites  
10       identified and selected by the board pursuant to  
11       paragraph (1) under leases for a term of not more than  
12       fifty-five years per lease, unless extended pursuant  
13       to section 171-36, to lessees who shall be required to  
14       modify, construct, or utilize facilities to meet the  
15       mission of the public libraries, in accordance with  
16       specific request for proposal or request for  
17       information guidelines;
- 18       (3) Each lease shall stipulate that the lessee may retain  
19       any revenue generated from the facilities; provided  
20       that:



- 1           (A) The lessee shall be obligated to maintain and  
2                   operate the facilities to meet the mission of the  
3                   public libraries for the length of the lease;
- 4           (B) The lessee shall be obligated to pay to the  
5                   county all applicable property tax on the value  
6                   of any improvements;
- 7           (C) A leasehold premium may be charged to the lessee  
8                   for the right to use the public library land  
9                   based on a competitive process that complies with  
10                  applicable sections of chapter 103D;
- 11          (D) Upon the expiration of the lease, the facilities  
12                  shall revert to the board; and
- 13          (E) All revenues and proceeds derived by the State  
14                  under this section shall be deposited in a  
15                  library facilities fund pursuant to subsection  
16                  (f); and
- 17          (4) Notwithstanding any law to the contrary, the board of  
18                  education may enter into leaseback agreements that  
19                  allow the board to lease or sublease the property to a  
20                  third party. The board may lease back the property  
21                  from the third-party lessee or sublessee for a



1           contractual period of time, after which the department  
2           shall own any improvements.

3           (c) Any redevelopment involving nonlibrary purposes shall:

4           (1) Comply with county plans, ordinances, and zoning and  
5           development codes; and

6           (2) Acquire all required government approvals and permits.

7           (d) Nothing in this section shall preclude the state  
8           librarian or the board of education from working with and  
9           receiving assistance from any other department or agency in  
10           carrying out the purposes of this section.

11           (e) Any lease entered into by the board pursuant to  
12           subsection (b) shall be fully executed no later than ten years  
13           from July 1, 2018.

14           (f) There is established in the state treasury the library  
15           facilities fund. All proceeds from the leases, permits,  
16           interest income generated from public library lands, and other  
17           revenue generated from the nonpermanent disposition of public  
18           library lands, including facilities, pursuant to this section  
19           shall be deposited into the library facilities subaccount.

20           Except as otherwise provided, all moneys in the library  
21           facilities fund shall be for state library programs."



1 SECTION 2. The board of education shall submit a report to  
2 the legislature no later than twenty days prior to the convening  
3 of the regular session of 2019 and each regular session  
4 thereafter until the completion of each project authorized  
5 pursuant to this Act. The report shall provide the following:

6 (1) A timeline for the pilot program pursuant to this Act,  
7 including but not limited to:

8 (A) A timeline for the redevelopment of each selected  
9 site;

10 (B) An estimated start and completion date for each  
11 selected site; and

12 (C) Estimates for the time required to obtain any  
13 necessary county or state approvals required to  
14 complete the redevelopment of each site;

15 (2) A summary of the state librarian and board of  
16 education's activities, results, and recommendations  
17 to optimize the use of public library lands as a means  
18 to meet the mission of the public libraries;

19 (3) A summary of all library and community engagement  
20 efforts undertaken or that will be undertaken by the



1 department of education in carrying out the pilot  
2 program pursuant to this Act;

3 (4) A summary of the state librarian and board of  
4 education's current and projected budgeted expenses,  
5 including the identification of any contracts with  
6 third parties and the creation of temporary positions  
7 within the department in carrying out the pilot  
8 program pursuant to this Act;

9 (5) A summary of any capacity and funding issues or  
10 challenges the state librarian or board of education  
11 has encountered in carrying out the pilot project  
12 pursuant to this Act; and

13 (6) Any proposed legislation.

14 SECTION 3. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$ or so  
16 much thereof as may be necessary for fiscal year 2018-2019 for  
17 the public library lands pilot program established pursuant to  
18 section 1 of this Act.

19 The sum appropriated shall be expended by the Hawaii state  
20 public library system for the purposes of this Act.

21 SECTION 4. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 2018.

2



**Report Title:**

Public Library Lands; Leases; BOE; Appropriation

**Description:**

Establishes a pilot program to generate revenue through the lease of public library lands to meet the mission of the public libraries. Establishes the library facilities fund. Requires the state librarian and board of education to report to the legislature. Makes an appropriation for the pilot program.  
(SD1)

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