

ACT 285

S.B. NO. 976

A Bill for an Act Relating to Public Libraries.

Be It Enacted by the Legislature of the State of Hawaii:

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

“§312- Pilot program for lease of public library land. (a) There shall be established a pilot program for the lease of public library land, including facilities. The state librarian, in consultation with the board of education and any other appropriate agency, shall serve as the facilitator of the pilot program.

(b) Notwithstanding section 171-11 or any other law to the contrary, the board of education may lease public library land without review by or approval of the board of land and natural resources on terms it deems appropriate, including a leaseback of all or a portion of the improvements constructed; provided that:

- (1) In consultation with the state librarian, the board may identify and select up to five public library land sites as candidates for participation in the pilot program; provided that:
 - (A) Any library site with outstanding general obligation bond debt shall be excluded from consideration as a candidate for participation in the pilot program; and
 - (B) If the site is on land owned by a county, the department of education shall consult with the county;
- (2) The board of education may lease no more than three public library land sites identified and selected by the board pursuant to paragraph (1) under leases for a term of not more than ninety-nine years per lease, unless extended pursuant to section 171-36, to lessees who may be required to modify, construct, or utilize facilities to meet the mission of the public libraries, in accordance with specific request for proposal or request for information guidelines;
- (3) Each lease shall stipulate that the lessee may retain any revenue generated from the facilities; provided that:
 - (A) The lessee shall be obligated to maintain and operate the facilities to meet the mission of the public libraries for the length of the lease;
 - (B) The lessee shall be obligated to pay to the county all applicable property taxes on the value of any improvements;
 - (C) A leasehold premium may be charged to the lessee for the right to use the public library land based on a competitive process that complies with applicable sections of chapter 103D;
 - (D) Upon the expiration of the lease, the facilities shall revert to the board; and

- (E) All revenues and proceeds derived by the State under this section shall be deposited in the library facilities fund pursuant to subsection (f); and
- (4) Notwithstanding any law to the contrary, the board of education may enter into leaseback agreements that allow the board to lease or sublease the property to a third party. The board may lease back the property from the third-party lessee or sublessee for a contractual period of time, after which the department shall own any improvements.
- (c) Any redevelopment involving nonlibrary purposes shall:
 - (1) Comply with county plans, ordinances, and zoning and development codes; and
 - (2) Acquire all required government approvals and permits.
- (d) Nothing in this section shall preclude the state librarian or the board of education from working with and receiving assistance from any other department or agency in carrying out the purposes of this section.
- (e) Any lease entered into by the board pursuant to subsection (b) shall be fully executed no later than ten years from July 1, 2019.
- (f) There is established in the state treasury the library facilities fund. All proceeds from the leases, permits, interest income generated from public library lands, and other revenue generated from the nonpermanent disposition of public library lands, including facilities, pursuant to this section shall be deposited into the library facilities fund. Except as otherwise provided by law, all moneys in the library facilities fund shall be used for state library programs.”

SECTION 2. The board of education shall submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2021 and each regular session thereafter until the completion of each project authorized pursuant to this Act. The report shall provide the following:

- (1) A timeline for the pilot program pursuant to this Act, including:
 - (A) A timeline for the redevelopment of each selected site;
 - (B) An estimated start and completion date for each selected site; and
 - (C) Estimates for the time required to obtain any necessary county or state approvals required to complete the redevelopment of each selected site;
- (2) A summary of the state librarian’s and board of education’s activities, results, and recommendations to optimize the use of public library lands as a means to meet the mission of the public libraries;
- (3) A summary of all library and community engagement efforts undertaken or that will be undertaken by the department of education in carrying out the pilot program pursuant to this Act;
- (4) A summary of the state librarian’s and board of education’s current and projected budgeted expenses, including the identification of any contracts with third parties and the creation of temporary positions within the department of education in carrying out the pilot program pursuant to this Act;
- (5) A summary of any capacity and funding issues or challenges that the state librarian or board of education has encountered in carrying out the pilot program pursuant to this Act; and
- (6) Any proposed legislation.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary

for fiscal year 2019-2020 for a comprehensive planning study to review all state public library land sites and facilities to assist the state librarian and the board of education in identifying public library land sites for the pilot program established by this Act.

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

SECTION 4. New statutory material is underscored.¹

SECTION 5. This Act shall take effect on July 1, 2019.

(Became law on July 9, 2019, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

Note

1. Edited pursuant to HRS §23G-16.5.