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

16 (1) In consultation with the state librarian, the board
17 may identify and select up to five public library land



1 sites as candidates for participation in the pilot
2 program; provided that:

3 (A) Any library site with outstanding general
4 obligation bond debt shall be excluded from
5 consideration as a candidate for participation in
6 the pilot program; and

7 (B) If the site is on land owned by a county, the
8 department of education shall consult with the
9 county;

10 (2) The board of education may lease no more than three
11 public library land sites identified and selected by
12 the board pursuant to paragraph (1) under leases for a
13 term of not more than ninety-nine years per lease,
14 unless extended pursuant to section 171-36, to lessees
15 who may be required to modify, construct, or utilize
16 facilities to meet the mission of the public
17 libraries, in accordance with specific request for
18 proposal or request for information guidelines;

19 (3) Each lease shall stipulate that the lessee may retain
20 any revenue generated from the facilities; provided
21 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 taxes 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 the
- 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, 2019.

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 fund. Except as
20 otherwise provided by law, all moneys in the library facilities
21 fund shall be used 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 2021 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:

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 selected site;

15 (2) A summary of the state librarian's 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's 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 of education in carrying out the
8 pilot program pursuant to this Act;

9 (5) A summary of any capacity and funding issues or
10 challenges that the state librarian or board of
11 education has encountered in carrying out the pilot
12 program 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 \$100,000 or so much
16 thereof as may be necessary for fiscal year 2019-2020 and the
17 same sum or so much thereof as may be necessary for fiscal year
18 2020-2021 for a comprehensive planning study to review all state
19 public library land sites and facilities to assist the state
20 librarian and the board of education in identifying public



1 library land sites for the pilot program established by this
2 Act.

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

5 SECTION 4. New statutory material is underscored.

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



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 Board of Education to report to the Legislature. Appropriates funds for a comprehensive planning study. (CD1)

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