

Honolulu, Hawaii

FEB 13 2025

RE: S.B. No. 757
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Education, to which was referred S.B.
No. 757 entitled:

"A BILL FOR AN ACT RELATING TO LIBRARIES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require reasonable terms in license agreements for digital literary materials between libraries and publishers;
- (2) Define prohibited terms for license agreements between libraries and publishers;
- (3) Declare offer of a license agreement with a prohibited term an unfair or deceptive act;
- (4) Make a license agreement with a prohibited term void and unconscionable; and
- (5) Create a right of action by libraries, library officers, and borrowers.

Your Committee received testimony in support of this measure from the Hawai'i State Public Library System and three individuals.



Your Committee received testimony in opposition to this measure from the Association of American Publishers, Copyright Alliance, and Independent Publishers Association.

Your Committee received comments on this measure from the Department of the Attorney General and Department of Education.

Your Committee finds that public libraries provide a variety of materials, including books, periodicals, and learning materials, to the public that are accessible and free of charge. However, certain digital literary materials are charged on a subscription basis, charging libraries per licensing period or through the number of uses. Therefore, establishing fair licensing agreements will ensure fair licensing of digital literary materials to continue free access for patrons at public libraries.

Your Committee has amended this measure by:

- (1) Clarifying that a license agreement between a publisher and a library shall preclude, limit, or restrict the library from making non-public preservation copies of digital literary materials in accordance with federal law;
- (2) Deleting language that would have restricted the duration of any license agreement to clarify that this measure shall not restrict a publisher's right to choose whether to distribute;
- (3) Inserting a non-impairment savings clause;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 757, S.D. 1, and



be referred to your Committees on Commerce and Consumer Protection and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Education,

Michelle N. Kidani

MICHELLE N. KIDANI, Chair



**Record of Votes
Committee on Education
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*Only one measure per Record of Votes