

**ACT 231**

H.B. NO. 1170

A Bill for an Act Relating to Cost-Recovery Fees for Delinquent Library Accounts.

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

SECTION 1. The legislature finds that the Hawaii state public library system is responsible to the taxpayers, customers, and supporters for the efficient utilization and accounting of tax revenues, maintenance and protection of library equipment and materials, and public donations of moneys and properties. An important area of accountability is the customers' delinquencies in the return of books and other library materials and payment of fees and fines, currently amounting to approximately \$3,000,000. In addition, a substantial block of time is required to process the

overdue books and credit adjustments and administrative costs to collect these delinquent customers accounts.

The legislature finds that these library customers need incentives to return the borrowed materials so that other library customers will enjoy using these materials and to pay their fines and fees on a timely basis before cost-recovery fees are imposed and referred to a collection agency.

The purpose of this Act is to provide the board of education the authority to make rules and rates and set procedures for the public library system to recover delinquent library materials and administrative costs in its efforts to collect delinquent accounts from patrons.

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

**“§312- Cost-recovery fees for the administration of Hawaii state public library system.** (a) The board of education may charge and add a fee to any amount due in accordance with its duties and powers under section 312-1 for:

- (1) Any cost or expense incurred by the Hawaii state public library system as a result of any action taken to enforce the collection of costs of lost books and any overdue fines and fees charged to that patron after the public library system has mailed written notice demanding payment and advising that continued failure to pay the amount due may result in collection action being taken, including the imposition of cost-recovery fees, not to exceed \$10, pursuant to this section. Any cost-recovery fee charged against the patron for costs, fees, and other charges may include collection agency fees, attorneys’ fees, court filing fees, and similar fees incurred by the Hawaii state public library system in connection with the collection action;

- (2) Hawaii public library system sponsored seminars or workshops, including educational materials in various media format; and

- (3) Research and reference materials published on magnetic media, CD-ROM, or other machine-readable form.

- (b) Interest shall not accrue with respect to any fee under this section.

(c) Notwithstanding any other provisions under this chapter, whenever a patron makes a partial payment of a particular delinquent amount, the amount received by the Hawaii state public library system shall first be credited to the fees charged under this section, in the order the fees were charged.

- (d) The board of education shall prescribe the procedures relating to:

- (1) The charging of fees;
- (2) The waiver of fees;
- (3) The documents, materials, and services for which fees may be charged;
- (4) The amount of the fees that may be assessed and charged to a library patron;
- (5) The accumulated amount of lost library material costs, fines, or fees;
- (6) The period of time that the lost library materials costs, fines, or fees must remain unpaid before they may be referred to a collection agency for collection pursuant to rules adopted under chapter 91; and
- (7) The notification of persons with delinquent accounts of the additional fees to be charged by the collection agency prior to the referral to the collection agency.

(e) The state librarian may waive any fee imposed by the Hawaii state public library system under chapter 312 in cases of hardship as prescribed by rules adopted under chapter 91.

(f) Upon its collection, the cost-recovery fee shall be deposited into the libraries special fund established by section 312-3.6 and shall be expended as prescribed by law.”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect upon its approval.

(Approved July 2, 1999.)

**Note**

1. Edited pursuant to HRS §23G-16.5.