



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2019**

LATE

ON THE FOLLOWING MEASURE:

S.B. NO. 978, S.D. 1, H.D. 1, RELATING TO STATE LIBRARY SYSTEM.

BEFORE THE:

HOUSE COMMITTEE ON JUDICIARY

DATE: Tuesday, March 19, 2019

TIME: 2:05 p.m.

LOCATION: State Capitol, Room 325

TESTIFIER(S): Clare E. Connors, Attorney General, or
Randall S. Nishiyama, Deputy Attorney General

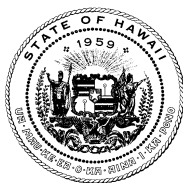
Chair Lee and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to transfer unclaimed funds totaling \$10 or less in the Unclaimed Property Trust Fund to the Libraries Special Fund upon the expiration of a five-year time period. In addition, this bill amends the escheat provisions for unclaimed property sums of less than \$250.

We believe that this bill is subject to challenge as being in violation of section 14 of article III of the Hawaii State Constitution, which requires: "Each law shall embrace but one subject, which shall be expressed in its title." The subject expressed in the title of this bill is the "State Library System." However, the substance of section 2 of the bill deals with amending the unclaimed property statute. Section 2 of this bill is not within the subject of the "State Library System" that is expressed in its title and violates section 14 of article III of the Hawaii State Constitution. This constitutional infirmity can be cured by placing the contents of this bill in a bill with an appropriate title.

We respectfully ask the Committee to consider our comments.



DAVID Y. IGE
GOVERNOR

STACEY A. ALDRICH
STATE LIBRARIAN

STATE OF HAWAII
HAWAII STATE PUBLIC LIBRARY SYSTEM
OFFICE OF THE STATE LIBRARIAN
44 MERCHANT STREET
HONOLULU, HAWAII 96813

HOUSE COMMITTEE ON JUDICIARY
Tuesday, March 19, 2019
2:05p.m.
Conference Room 325
State Capitol

By
Stacey A. Aldrich
State Librarian

S.B. 978 S.D.1 H.D.1 – Relating to the State Library System

To: Chair Chris Lee
Vice Chair Joy A. San Buenaventura
Members of the House Committee on Judiciary

The Hawaii State Public Library System (HSPLS) **supports** S.B. 978 S.D.1 H.D.1, which would provide additional financial support to the libraries special fund. The libraries special fund helps to support over 51 branch libraries statewide and will benefit all library patrons.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

LATE

TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON JUDICIARY
ON
SENATE BILL NO. 978, S.D. 1, H.D. 1

March 19, 2019
2:05 P.M.
Room 325

RELATING TO STATE LIBRARY SYSTEM

Senate Bill No. 978, S.D. 1, H.D. 1, specifies funds of \$10 or less in the unclaimed property trust fund shall escheat to the State and transferred to the libraries special fund upon expiration of a five-year time limitation. The bill also increases the threshold for escheatment of unclaimed funds to the general fund from amounts less than \$100 to amounts less than \$250 after the expiration of a five-year time limitation.

The Department is providing comments on this bill. Currently, Section 523A-19, HRS, already establishes a ten-year time limitation for owners to file a claim for funds \$100 or less deposited in the unclaimed property trust fund. These funds would escheat to the State upon expiration of the ten-year time limitation. Please note that while increasing the threshold amount from \$100 to less than \$250 to escheat to the State, escheatment and transfer of unclaimed funds of \$10 or less to the libraries special fund may result in a loss of revenue to the general fund.

While we appreciate the intent of the bill, as the fiduciary administering the Program's Trust Fund, we believe that it is in the better interest of the owners, their heirs, or beneficiaries to have access to file a claim for their funds within a reasonable time limitation which has been established at 10 years.

Thank you for your consideration of our comments.