

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 10, 2018

GOV. MSG. NO. 1258

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2919 SD2 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB2919 SD2 HD1 CD1

RELATING TO PUBLIC LIBRARIES

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

EXECUTIVE CHAMBERS

HONOLULU

July 10, 2018

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2919

Honorable Members
Twenty-Ninth Legislature
State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2919, entitled "A Bill for an Act Relating to Public Libraries."

The purpose of this bill is to establish a pilot program to generate revenue through the lease of public library lands to support the mission of the public library system.

This bill is objectionable because there are questions as to who owns the title to the various land parcels on which the public libraries are located. If the public library lands are public trust lands set aside for public purposes by executive order and those lands are no longer needed for library purposes, the executive orders should be withdrawn and the lands returned to the Department of Land and Natural Resources. Further, the Hawai'i State Public Library System does not have the resources and expertise to undertake the leasing of public lands for purely income generating purposes.

For the foregoing reasons, I am returning Senate Bill No. 2919 without my approval.

Respectfully,



DAVID Y. IGE
Governor of Hawai'i

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 171-13, or any other law to
11 the contrary, the board of education may lease public library
12 land on terms it deems appropriate, including a leaseback of all
13 or a portion of the improvements constructed; provided that:

14 (1) The board may identify and select up to five public
15 library land sites as candidates for participation in
16 the pilot program; provided that:

17 (A) During the identification and selection process,
18 the board shall be subject to chapter 92, shall



1 hold at least one public meeting in each affected
2 community, and shall foster library and community
3 participation; and

4 (B) If the site is on land owned by the county, the
5 department of education shall consult with the
6 county;

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

16 (3) Each lease shall stipulate that the lessee may retain
17 any revenue generated from the facilities; provided
18 that:

19 (A) The lessee shall be obligated to maintain and
20 operate the facilities to meet the mission of the
21 public libraries for the length of the lease;



- 1 (B) The lessee shall be obligated to pay to the
2 county all applicable property taxes on the value
3 of any improvements;
- 4 (C) A leasehold premium may be charged to the lessee
5 for the right to use the public library land
6 based on a competitive process that complies with
7 applicable sections of chapter 103D;
- 8 (D) Upon the expiration of the lease, the facilities
9 shall revert to the board; and
- 10 (E) All revenues and proceeds derived by the State
11 under this section shall be deposited in the
12 library facilities fund pursuant to subsection
13 (f); and
- 14 (4) Notwithstanding any law to the contrary, the board of
15 education may enter into leaseback agreements that
16 allow the board to lease or sublease the property to a
17 third party. The board may lease back the property
18 from the third-party lessee or sublessee for a
19 contractual period of time, after which the department
20 shall own any improvements.
- 21 (c) Any redevelopment involving nonlibrary purposes shall:



1 (1) Comply with county plans, ordinances, and zoning and
2 development codes; and

3 (2) Acquire all required government approvals and permits.

4 (d) Nothing in this section shall preclude the state
5 librarian or the board of education from working with and
6 receiving assistance from any other department or agency in
7 carrying out the purposes of this section.

8 (e) Any lease entered into by the board pursuant to
9 subsection (b) shall be fully executed no later than ten years
10 from July 1, 2018.

11 (f) There is established in the state treasury the library
12 facilities fund. All proceeds from the leases, permits,
13 interest income generated from public library lands, and other
14 revenue generated from the nonpermanent disposition of public
15 library lands, including facilities, pursuant to this section
16 shall be deposited into the library facilities fund. Except as
17 otherwise provided by law, all moneys in the library facilities
18 fund shall be used for state library programs."

19 SECTION 2. The board of education shall submit a report to
20 the legislature no later than twenty days prior to the convening
21 of the regular session of 2020 and each regular session



1 thereafter until the completion of each project authorized
2 pursuant to this Act. The report shall provide the following:

3 (1) A timeline for the pilot program pursuant to this Act,
4 including but not limited to:

5 (A) A timeline for the redevelopment of each selected
6 site;

7 (B) An estimated start and completion date for each
8 selected site; and

9 (C) Estimates for the time required to obtain any
10 necessary county or state approvals required to
11 complete the redevelopment of each site;

12 (2) A summary of the state librarian's and board of
13 education's activities, results, and recommendations
14 to optimize the use of public library lands as a means
15 to meet the mission of the public libraries;

16 (3) A summary of all library and community engagement
17 efforts undertaken or that will be undertaken by the
18 department of education in carrying out the pilot
19 program pursuant to this Act;

20 (4) A summary of the state librarian's and board of
21 education's current and projected budgeted expenses,



1 including the identification of any contracts with
2 third parties and the creation of temporary positions
3 within the department in carrying out the pilot
4 program pursuant to this Act;

5 (5) A summary of any capacity and funding issues or
6 challenges the state librarian or board of education
7 has encountered in carrying out the pilot project
8 pursuant to this Act; and

9 (6) Any proposed legislation.

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2018.


APPROVED this day of , 2018


GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2018
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Twenty-ninth Legislature of the State of Hawai'i, Regular Session of 2018.


President of the Senate


Clerk of the Senate

SB No. 2919, SD 2, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2018
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives