
A BILL FOR AN ACT

RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 227D-7, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§227D-7 Exemption of authority from taxation [~~and~~],**
4 **competitive bidding[+], and procurement code.** (a) All revenues
5 and receipts derived by the authority from any project or
6 research and technology park or under a project agreement or
7 other agreement pertaining thereto shall be exempt from all
8 state taxation. Any right, title, and interest of the authority
9 in any project or research and technology park shall also be
10 exempt from all state taxation. Except as otherwise provided by
11 law, the interest of a qualified person or other user of a
12 project or research and technology park under a project
13 agreement or other agreements related to a project or research
14 and technology park shall not be exempt from taxation to a
15 greater extent than it would be if the costs of the project or
16 research and technology park were directly financed by the
17 qualified person or user.



1 (b) The authority shall not be subject to the requirements
2 of chapter 103 for project agreements, construction contracts,
3 retail concession or tour-related contracts, or other contracts
4 unless a project agreement with respect to a project or research
5 and technology park shall require otherwise.

6 (c) The authority shall not be subject to the requirements
7 of chapter 103D unless a project agreement with respect to a
8 project or research and technology park shall require otherwise;
9 provided that:

10 (1) The following conflict of interest policy is duly
11 adopted by the board; and

12 (2) The following statement form is signed by each board
13 member, officer, and employee of the authority.

14 **NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY**

15 **Conflict of Interest Statement**

16 **Form for Directors of the Board,**

17 **Officers, and Employees**

18 I, the undersigned, acknowledge my receipt and understanding of
19 the Natural Energy Laboratory of Hawaii Authority's (Authority)
20 guidelines for the avoidance of conflicts of interest with the
21 activities of the Authority. These guidelines are:



1 **Duty of Loyalty.** The duty of loyalty is a standard of
2 faithfulness to the Authority. The fundamental duty of loyalty
3 owed by a board member, officer, and employee is the duty to
4 give undivided allegiance to the Authority when making decisions
5 affecting the Authority.

6 **Duty of Obedience.** The duty of obedience requires board
7 members, officers, and employees to be faithful to the
8 Authority's mission. Although board members, officers, and
9 employees may exercise their own reasonable judgment concerning
10 how the Authority should best meet its mission, they are not
11 permitted to act in a manner that is inconsistent with the
12 central goals of the Authority.

13 **Duty of Care.** The duty of care describes the level of
14 competence that is expected of a board member, officer, and
15 employee. The most commonly expressed standard is that a board
16 member, officer, and employee owes the duty of care that an
17 ordinarily prudent person would exercise in a like position
18 under similar circumstances.

19 I understand that the conflict of interest policy of the
20 Authority is intended only to supplement the laws of the State
21 of Hawaii and that if any conflict arises between Authority
22 policy and state law, state law will govern.



HB 1971

Report Title:

NELHA; Exemption; Hawaii Public Procurement Code

Description:

Exempts the Natural Energy Laboratory of Hawaii Authority from the Hawaii Public Procurement Code, chapter 103D, HRS.

