



1 501(c)(3) of the Internal Revenue Code of 1986, as amended. The  
2 corporation shall be attached to the natural energy laboratory  
3 of Hawaii authority for administrative purposes.

4 (b) The purpose of the corporation shall include, but not  
5 be limited to, facilitation of the growth and prosperity of the  
6 Hawaiian economy by providing resources for alternative energy  
7 research and development. The corporation's duties shall  
8 include, but not be limited to:

- 9 (1) Managing the assets and resources of the corporation,  
10 including its land, facilities, and other resources;
- 11 (2) Planning, creating, and implementing any programs and  
12 projects of the natural energy laboratory of Hawaii  
13 authority that shall be assigned to the corporation,  
14 including federally and state funded programs and  
15 projects and those programs funded by other nonprofit  
16 and for-profit organizations;
- 17 (3) Identifying and obtaining funding and other resources  
18 in support of the purposes of the corporation from  
19 agencies and organizations not able to provide  
20 resources directly to the natural energy laboratory of  
21 Hawaii authority;



1           (4) Assisting the natural energy laboratory of Hawaii  
2           authority in the promotion and marketing of Hawaii as  
3           a location for research and commercial natural energy  
4           activity; and

5           (5) Assisting the natural energy laboratory of Hawaii  
6           authority in any other strategic or operational manner  
7           that supports the State's energy-based economic  
8           development activities.

9           (c) The corporation shall implement this purpose by:

10          (1) The furnishing of means, methods, and agencies by  
11          which the management, programming, training,  
12          investigation, research, and analysis may be  
13          conducted;

14          (2) Other means to make the benefits of programming,  
15          training, investigation, research, and analysis  
16          available to the public; and

17          (3) Any and all other acts reasonably designed to promote  
18          the foregoing purposes in the interest of promoting  
19          the general welfare of the people of the State.

20          The corporation shall have the sole right to provide the  
21          foregoing services and support to the natural energy laboratory  
22          of Hawaii authority, and the natural energy laboratory of Hawaii



1 authority shall use the corporation to provide these services  
2 and support in every case except when the natural energy  
3 laboratory of Hawaii authority determines that the corporation  
4 may not or cannot legally or operationally provide these  
5 services and support.

6       **§227D-B Board of directors; composition.** (a) The affairs  
7 of the corporation shall be under the general management and  
8 control of a board of directors consisting of nine members.  
9 Four members of the board of directors of the natural energy  
10 laboratory of Hawaii authority shall be ex officio, voting  
11 members of the corporation's board and shall be selected by the  
12 natural energy laboratory of Hawaii authority's board of  
13 directors for terms to be determined by the natural energy  
14 laboratory of Hawaii authority's board. The chief executive  
15 officer of the natural energy laboratory of Hawaii authority  
16 shall serve as an ex officio, nonvoting member of the  
17 corporation's board. The remaining four members shall be  
18 appointed by the governor from lists of nominees provided by the  
19 president of the senate and the speaker of the house of  
20 representatives. The governor shall appoint two persons from  
21 the list submitted by the president of the senate and two  
22 persons from the list submitted by the speaker of the house of



1 representatives. The lists of nominees provided by the  
2 president of the senate and the speaker of the house of  
3 representatives shall consist of members of the general public  
4 who were selected on the basis of their knowledge, interest, and  
5 proven expertise in, but not limited to, one or more of the  
6 following fields: finance, commerce and trade, corporate  
7 management, marketing, economics, engineering, energy  
8 management, real estate development, property management,  
9 aquaculture, ocean science, life science, and other natural  
10 energy fields. All the members appointed from the general  
11 public shall serve for a term of four years, except that half of  
12 those initially appointed from the public may have reduced terms  
13 so as to provide, as nearly as can be, for the expiration of an  
14 equal number of terms at intervals of one year, with each term  
15 commencing on July 1 and expiring on June 30.

16 (b) All members of the corporation's board shall serve  
17 without pay, but shall be entitled to reimbursement for  
18 necessary expenses, including travel expenses, while attending  
19 meetings and while in the discharge of duties and  
20 responsibilities.

21 (c) The members of the corporation's board shall elect the  
22 chairperson of the board.



1           **§227D-C Powers of the corporation.** The corporation, under  
2 the direction of its board of directors, shall have the  
3 following general powers and duties:

4           (1) To promote the use of alternative energy and natural  
5 resource sites for the purposes provided by law;

6           (2) To adopt, amend, and repeal bylaws governing the  
7 conduct of its business and the exercise of the powers  
8 and performance of duties granted to or imposed upon  
9 it by law;

10          (3) Acquire, own, lease, rent, hold, maintain and improve,  
11 use, and operate any property, real, personal, or  
12 mixed, tangible or intangible, in accordance with the  
13 conditions under that it was received;

14          (4) To enter into and perform contracts, leases,  
15 cooperative agreements, or other transactions with the  
16 natural energy laboratory of Hawaii authority or any  
17 other agency or political subdivision of the State,  
18 any private person, firm, partnership, association,  
19 company, or corporation only, as it may be necessary  
20 in the conduct of its business and on terms as it may  
21 deem appropriate; provided that:

- 1           (A) The corporation shall not obligate any funds of  
2           the State except funds that have been  
3           appropriated to it by the legislature or  
4           transferred or contracted to it by the natural  
5           energy laboratory of Hawaii authority or other  
6           agency or department of state government; and
- 7           (B) Notwithstanding subparagraph (A), the corporation  
8           may enter into and perform contracts, leases,  
9           cooperative agreements, or other transactions  
10          with any agency or instrumentality of the United  
11          States, a foreign nation, a state, a territory,  
12          or a possession, or with any political  
13          subdivision thereof, whenever the donating or  
14          granting agency or instrumentality determines  
15          that the natural energy laboratory of Hawaii  
16          authority or any other agency of the State cannot  
17          as effectively and efficiently accomplish the  
18          purposes for which the contracts, leases,  
19          cooperative agreements, or other transactions are  
20          being entered into; provided that the corporation  
21          shall not obligate any funds of the State except



1 funds that have been appropriated or transferred  
2 or contracted to it;

3 (5) To receive by gifts, grants, devises, bequests, or  
4 otherwise from private sources only, any property,  
5 real, personal, or mixed, intangible or tangible,  
6 absolutely or in trust, to be used and disposed of,  
7 either the principal or the income therefrom, in  
8 accordance with the conditions under which it was  
9 received; provided that:

10 (A) No gift to the corporation shall be accepted  
11 unless approved or confirmed by its board of  
12 directors; and

13 (B) Notwithstanding subparagraph (A), the corporation  
14 may receive gifts, grants, or awards from any  
15 agency or instrumentality of the United States, a  
16 foreign nation, a state, a territory, or a  
17 possession, or from any political subdivision  
18 thereof, whenever the donating or granting agency  
19 or instrumentality determines that the natural  
20 energy laboratory of Hawaii authority or any  
21 other agency of the State cannot as effectively  
22 and efficiently accomplish the purposes for which



1           the gifts, grants, or awards are being made;  
2           provided that no gift to the corporation shall be  
3           accepted unless approved or confirmed by its  
4           board of directors;

5           (6) To have a corporate seal and alter the same at its  
6           pleasure;

7           (7) To sue and be sued in its own name;

8           (8) To serve as trustee or beneficiary under terms of any  
9           gift, indenture, or will;

10          (9) To apply for, take out, receive by purchase or gift,  
11          hold, administer, and dispose of copyrights, patent  
12          rights, licenses, assignments of inventions,  
13          discoveries, processes, and other property, rights, or  
14          interests therein, and the income thereof, absolutely  
15          or subject to conditions or trusts as may be attached  
16          thereto or be imposed thereon, and to obligate itself  
17          to perform and execute any and all conditions or  
18          trusts;

19          (10) To conduct programs, projects, research, studies,  
20          experiments, investigations, and tests in all fields  
21          of knowledge; to promote and develop the scientific  
22          and commercial value of inventions, discoveries, and



- 1 processes; and to make, publish, and distribute the  
2 results thereof;
- 3 (11) To coordinate and correlate activities and projects of  
4 the corporation with the work of state agencies for  
5 the purpose of relating research work to the economic  
6 development of the State whenever practical or  
7 desirable;
- 8 (12) To stimulate and promote commercial, energy,  
9 aquaculture, and research projects and activities;
- 10 (13) To establish and maintain, or to assist in  
11 establishing and maintaining, staff positions for the  
12 purpose of aiding in energy-based economic development  
13 and to enter into agreements or contracts with other  
14 corporations, organizations, institutions, or persons  
15 for this purpose and to pay the necessary and  
16 appropriate expenses therefor;
- 17 (14) To prepare, print, or publish any manuscript, research  
18 article, report, study, discussion, reference,  
19 collection, or any pictorial or schematic  
20 representation or group or collection thereof, whether  
21 the same belongs to or is the work of any state agency  
22 or its employees, or the corporation or its employees



1 or a contractor of the natural energy laboratory of  
 2 Hawaii authority. The printing or publication may be  
 3 accomplished through whatever person, company, or  
 4 agency is deemed most appropriate by the corporation's  
 5 board of directors; and

6 (15) To do any or all other acts reasonably necessary to  
 7 carry out the objects and purposes of the natural  
 8 energy laboratory of Hawaii authority.

9 **§227D-D Corporation; exempted from certain state laws.** In  
 10 order to carry out the purposes and objectives of this part, the  
 11 corporation shall be granted flexibility in hiring its personnel  
 12 and in handling and disbursing moneys by being exempt from the  
 13 following state laws:

14 (1) Sections 36-27 and 36-30, relating to special fund  
 15 reimbursements to the state general fund;

16 (2) Chapter 103D, relating to public procurement;

17 (3) Chapter 76, relating to civil service;

18 (4) Section 78-1, relating to public employment; and

19 (5) Chapter 40, related to public audit and accounting.

20 **§227D-E Officers and employees of the corporation.** The  
 21 chief executive officer of the natural energy laboratory of  
 22 Hawaii authority shall be the president of the corporation. The



1 corporation's president, with the agreement of the corporation's  
2 board of directors, may also appoint other officers and  
3 employees as may be necessary in administering the affairs of  
4 the corporation. The corporation's president, with the  
5 agreement of the corporation's board of directors, shall set the  
6 employees' duties, responsibilities, salaries, holidays,  
7 vacations, leaves, hours of work, and working conditions and may  
8 grant other benefits as it deems necessary. Employees of the  
9 corporation shall not be entitled to any benefits conferred  
10 under chapter 76, 78, 88, 89, or any public employee collective  
11 bargaining agreement, executive order, executive directive, or  
12 rule.

13 **§227D-F Annual report.** The corporation shall submit an  
14 annual report, not later than twenty days prior to the convening  
15 of each regular session, to the governor, president of the  
16 senate, and the speaker of the house of representatives. The  
17 report shall include, but not be limited to, the corporation's  
18 audited financial statement, total amount of payroll and other  
19 disbursements made, and progress and accomplishments made during  
20 the year.

21 **§227D-G Dissolution.** If the corporation is dissolved, all  
22 of its property, real, personal, and mixed and wheresoever



1 situated, shall vest immediately and absolutely in the natural  
2 energy laboratory of Hawaii authority, and none of its property  
3 shall inure to the benefit of any officer, director, or member  
4 of the corporation.

5       **§227D-H Meetings of the board.** (a) The meetings of the  
6 corporation's board shall be open to the public as provided in  
7 section 92-3, except that when it is necessary for the board to  
8 receive information that is proprietary to a particular  
9 enterprise that seeks entry into or use of one of its facilities  
10 or the disclosure of which might be harmful to the business  
11 interest of the enterprise, the board may enter into an  
12 executive meeting that is closed to the public.

13       **§227D-I Confidentiality of information.** (a)  
14 Notwithstanding chapter 92F or any other law to the contrary,  
15 any government record made or received by any member or employee  
16 of the corporation shall be subject to segregation, and  
17 information contained therein shall not be subject to public  
18 disclosure, inspection, or duplication to the extent that the  
19 information:

20       (1) Consists of business trade secrets;



1           (2) Consists of confidential or proprietary commercial or  
2           financial information regarding the operation of any  
3           business; or

4           (b) Notwithstanding chapter 92 or any other law to the  
5           contrary, any discussion or consideration by the corporation's  
6           board or any committee of the board of the type of non-  
7           disclosable information described in subsection (a) may be held  
8           in an executive meeting closed to the public.

9           **§227D-J Patents, copyrights, and other rights.** Any  
10          patents, copyrights, inventions, discoveries, or other rights  
11          arising from corporation activities shall belong to the  
12          corporation and be subject to policies or rules as the  
13          corporation's board of directors may adopt pursuant to chapter  
14          91.

15          **§227D-K Contracts with state agencies.** Any contract  
16          between the corporation and any agency, office, department, or  
17          other administrative subdivision of the executive branch of the  
18          State shall include the following:

- 19           (1) Its termination date;
- 20           (2) Its intent and purpose;
- 21           (3) A statement establishing the full permissible extent  
22           of its applicability; and



1 (4) A description of the circumstances under which it may  
2 be amended or extended."

3 SECTION 3. In codifying the new sections added by section  
4 2 of this Act, the revisor of statutes shall substitute  
5 appropriate section numbers for the letters used in designating  
6 the new sections in this Act.

7 SECTION 4. This Act shall take effect upon its approval.  
8

INTRODUCED BY:

Cindy Evans  
Nami Snow  
J. R. Hunter  
[Signature]

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HB 7463

**Report Title:**

Natural Energy Laboratory; NELHA Innovation Corporation

**Description:**

Establishes the natural energy laboratory of Hawaii authority innovation corporation.

