

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 State's 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 programs funded by other nonprofit and
16 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) Furnishing the means, methods, and agencies by which
11 management, programming, training, investigation,
12 research, and analysis may be conducted;
- 13 (2) Other means to make the benefits of programming,
14 training, investigation, research, and analysis
15 available to the public; and
- 16 (3) Any and all other acts reasonably designed to promote
17 the foregoing purposes in the interest of promoting
18 the general welfare of the people of the State.

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



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

5 **§227D-B Board of directors; composition.** (a) The affairs
6 of the corporation shall be under the general management and
7 control of a board of directors consisting of nine members.
8 Four members of the board of directors of the natural energy
9 laboratory of Hawaii authority shall be ex officio, voting
10 members of the corporation's board, selected by the natural
11 energy laboratory of Hawaii authority's board of directors for
12 terms to be determined by the natural energy laboratory of
13 Hawaii authority's board of directors. The chief executive
14 officer of the natural energy laboratory of Hawaii authority
15 shall serve as an ex officio, nonvoting member of the
16 corporation's board. The remaining four members shall be
17 appointed by the governor from lists of nominees provided by the
18 president of the senate and the speaker of the house of
19 representatives. The governor shall appoint two persons from
20 the list submitted by the president of the senate and two
21 persons from the list submitted by the speaker of the house of
22 representatives. The lists of nominees provided by the



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

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

20 (c) The members of the corporation's board shall elect the
21 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) To acquire, own, lease, rent, hold, maintain and
11 improve, use, and operate any property, including
12 real, personal, mixed, tangible, or intangible
13 property, in accordance with the conditions under
14 which the property was received;

15 (4) To enter into and perform contracts, leases,
16 cooperative agreements, or other transactions with the
17 natural energy laboratory of Hawaii authority or any
18 other agency or political subdivision of the State,
19 any private person, firm, partnership, association,
20 company, or corporation, as it may be necessary in the
21 conduct of its business and on terms as it may deem
22 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 from private sources only, gifts, grants,
4 devises, bequests, or otherwise of any property,
5 including real, personal, mixed, intangible, or
6 tangible property, held absolutely or in trust, the
7 principal or income from which may be used and
8 disposed of, in accordance with the conditions under
9 which the property was received; provided that no gift
10 to the corporation shall be accepted unless approved
11 or confirmed by its board of directors; and
- 12 (6) The corporation may receive gifts, grants, or awards
13 from any agency or instrumentality of the United
14 States, a foreign nation, a state, a territory, or a
15 possession, or from any political subdivision thereof,
16 whenever the donating or granting agency or
17 instrumentality determines that the natural energy
18 laboratory of Hawaii authority or any other agency of
19 the State cannot as effectively and efficiently
20 accomplish the purposes for which the gifts, grants,
21 or awards are being made; provided that no gift to the



- 1 corporation shall be accepted unless approved or
2 confirmed by its board of directors;
- 3 (7) To have a corporate seal and alter the same at its
4 pleasure;
- 5 (8) To sue and be sued in its own name;
- 6 (9) To serve as trustee or beneficiary under terms of any
7 gift, indenture, or will;
- 8 (10) To apply for, take out, receive by purchase or gift,
9 hold, administer, and dispose of copyrights, patent
10 rights, licenses, assignments of inventions,
11 discoveries, processes, and other property, rights, or
12 interests therein, and the income thereof, absolutely
13 or subject to conditions or trusts as may be attached
14 thereto or be imposed thereon, and to obligate itself
15 to perform and execute any and all conditions or
16 trusts;
- 17 (11) To conduct programs, projects, research, studies,
18 experiments, investigations, and tests in all fields
19 of knowledge; to promote and develop the scientific
20 and commercial value of inventions, discoveries, and
21 processes; and to make, publish, and distribute the
22 results thereof;



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



1 accomplished through whatever person, company, or
2 agency is deemed most appropriate by the corporation's
3 board of directors; and

4 (16) To do any or all other acts reasonably necessary to
5 carry out the objectives and purposes of the natural
6 energy laboratory of Hawaii authority.

7 **§227D-D Corporation; exempted from certain state laws.** In
8 order to carry out the purposes and objectives of this part, the
9 corporation shall be granted flexibility in hiring its personnel
10 and in handling and disbursing moneys by being exempt from the
11 following state laws:

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

14 (2) Chapter 40, related to public audit and accounting;

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

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

17 (5) Chapter 103D, relating to public procurement.

18 **§227D-E Officers and employees of the corporation.** The
19 chief executive officer of the natural energy laboratory of
20 Hawaii authority shall be the president of the corporation. The
21 corporation's president, with the agreement of the corporation's
22 board of directors, may also appoint other officers and



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

11 **§227D-F Annual report.** The corporation shall submit an
12 annual report, not later than twenty days prior to the convening
13 of each regular session, to the governor, president of the
14 senate, and the speaker of the house of representatives. The
15 report shall include, but not be limited to, the corporation's
16 audited financial statement, total amount of payroll and other
17 disbursements made, and progress and accomplishments made during
18 the year.

19 **§227D-G Dissolution.** If the corporation is dissolved, all
20 of its property, including real, personal, and mixed property,
21 wheresoever situated, shall vest immediately and absolutely in
22 the natural energy laboratory of Hawaii authority and none of



1 its property shall inure to the benefit of any officer,
2 director, or member of the corporation.

3 **§227D-H Meetings of the board.** The meetings of the
4 corporation's board shall be open to the public as provided in
5 section 92-3, except that when it is necessary for the board to
6 receive information that:

7 (1) Is proprietary to a particular enterprise seeking
8 entry into or use of one of the corporation's
9 facilities; and

10 (2) Might be harmful to the business interest of the
11 enterprise if disclosed,

12 the board may enter into an executive meeting that is closed to
13 the public; provided that the executive meeting shall be limited
14 to discussion or consideration of trade secrets or confidential
15 or proprietary commercial or financial information to the extent
16 that the trade secrets or information fall within the exception
17 to public disclosure under section 92F-13.

18 **§227D-I Confidentiality of information.** Any government
19 record made or received by any member or employee of the
20 corporation shall be subject to segregation and kept
21 confidential to the extent permitted under chapter 92F; provided
22 that the information:



- 1 (1) Consists of business trade secrets; or
- 2 (2) Consists of confidential or proprietary commercial or
- 3 financial information regarding the operation of any
- 4 business.

5 **§227D-J Patents, copyrights, and other rights.** Any

6 patents, copyrights, inventions, discoveries, or other rights

7 arising from corporation activities shall belong to the

8 corporation and be subject to policies or rules as the

9 corporation's board of directors may adopt pursuant to chapter

10 91.

11 **§227D-K Contracts with state agencies.** Any contract

12 between the corporation and any agency, office, department, or

13 other administrative subdivision of the executive branch of the

14 State shall include the following:

- 15 (1) The contract's termination date;
- 16 (2) The contract's intent and purpose;
- 17 (3) A statement establishing the full permissible extent
- 18 of the contract's applicability; and
- 19 (4) A description of the circumstances under which the
- 20 contract may be amended or extended."

21 SECTION 3. In codifying the new sections added by section

22 2 of this Act, the revisor of statutes shall substitute

1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

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



HB 2863 HD1

Report Title:

Natural Energy Laboratory; NELHA Innovation Corporation

Description:

Establishes the natural energy laboratory of Hawaii authority innovation corporation. (HB2863 HD1)

