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# A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY INNOVATION CORPORATION.

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

1           SECTION 1. In 2005 the legislature established the  
2 nonprofit high technology innovation corporation (HTIC) to  
3 assist the high technology development corporation in attracting  
4 high technology development opportunities to the state.

5           To help HTIC to carry out its responsibilities and  
6 objectives, the legislature exempted it from certain state laws.  
7 However, during its implementation, HTIC discovered that  
8 additional exemptions from state laws were necessary for it to  
9 establish private bank accounts outside of the state accounting  
10 and financial systems.

11           The purpose of this Act is to enable HTIC to meet its  
12 mission by:

13           (1) Exempting it from chapters 36, 38, and 40, Hawaii  
14 Revised Statutes, which relate to the management of  
15 state funds, deposits of public funds, and state audit  
16 and accounting respectively; and



1 (2) Authorizing it to establish operational bank accounts  
2 in out-of-state locations, including foreign  
3 denomination accounts.

4 SECTION 2. Section 206M-53, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "[+]§206M-53[+] **Powers of the board.** The high technology  
7 innovation corporation, under the direction of its board of  
8 directors, shall have the following general powers:

- 9 (1) To adopt, amend, and repeal bylaws governing the  
10 conduct of its business and the exercise of the powers  
11 and performance of duties granted to or imposed upon  
12 it by law;
- 13 (2) To sell, lease, rent, hold, maintain, use, and operate  
14 any property, real, personal, or mixed, tangible or  
15 intangible, in accordance with the conditions under  
16 which it was received;
- 17 (3) To enter into and perform contracts, leases,  
18 cooperative agreements, or other transactions with the  
19 high technology development corporation or any other  
20 agency or political subdivision of the State, any  
21 private person, firm, partnership, association,  
22 company, or corporation, only as it may be necessary



1 in the conduct of its business and on terms as it may  
2 deem appropriate; provided that the high technology  
3 innovation corporation shall not obligate any funds of  
4 the State except funds that have been appropriated to  
5 it by the legislature or transferred or contracted to  
6 it by the high technology development corporation or  
7 other agency or department of the state government.  
8 Notwithstanding the foregoing, the high technology  
9 innovation corporation may enter into and perform  
10 contracts, leases, cooperative agreements, or other  
11 transactions with any agency or instrumentality of the  
12 United States, a foreign nation, a state, a territory  
13 or a possession, or with any political subdivision  
14 thereof, whenever the donating or granting agency or  
15 instrumentality determines that the high technology  
16 development corporation or any other agency of the  
17 State cannot as effectively and efficiently accomplish  
18 the purposes for which the contracts, leases,  
19 cooperative agreements, or other transactions are  
20 being entered into; provided that the high technology  
21 innovation corporation shall not obligate any funds of



1 the State except funds that have been appropriated or  
2 transferred to it or contracted for it;

- 3 (4) 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 no gift to the high technology  
10 innovation corporation shall be accepted unless  
11 approved or confirmed by its board of directors.

12 Notwithstanding the foregoing, the high technology  
13 innovation corporation may receive gifts, grants, or  
14 awards from any agency or instrumentality of the  
15 United States, a foreign nation, a state, a territory  
16 or a possession, or from any political subdivision  
17 thereof, whenever the donating or granting agency or  
18 instrumentality determines that the high technology  
19 development corporation or any other agency of the  
20 State cannot as effectively and efficiently accomplish  
21 the purposes for which the gifts, grants, or awards  
22 are being made; provided that no gift to the high



- 1 technology innovation corporation shall be accepted  
2 unless approved or confirmed by its board of  
3 directors;
- 4 (5) To have a corporate seal;
- 5 (6) To sue and be sued in its own name;
- 6 (7) To serve as trustee or beneficiary under terms of any  
7 gift, indenture, or will;
- 8 (8) 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 (9) 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       (10) To coordinate and correlate activities and projects of  
2           the high technology innovation corporation with the  
3           work of state agencies for the purpose of relating  
4           research work to the economic development of the State  
5           whenever practical or desirable;
- 6       (11) To stimulate and promote cooperative research projects  
7           and activities;
- 8       (12) To establish and maintain, or to assist in  
9           establishing and maintaining staff positions for the  
10          purpose of aiding in technology-based economic  
11          development, and to enter into agreements or contracts  
12          with other corporations, organizations, institutions,  
13          or persons for this purpose and to pay the necessary  
14          and appropriate expenses therefor;
- 15      (13) 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 high technology innovation  
21          corporation or its employees or a contractor of the  
22          high technology innovation corporation. The printing



1 or publication may be accomplished through whatever  
2 person, company, or agency is deemed most appropriate  
3 by the board of directors; ~~and]~~

4 (14) To establish operational bank accounts as may be  
5 necessary in the conduct of its business and its out-  
6 of-state offices, including accounts of foreign  
7 denomination in out-of-state locations, without the  
8 approval of the director of budget and finance or the  
9 comptroller of accounting and general services; and

10 ~~[(14)]~~ (15) To do any or all other acts reasonably necessary  
11 to carry out the objects and purposes of the high  
12 technology innovation corporation."

13 SECTION 3. Section 206M-54, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "~~[+]§206M-54[+]~~ **Innovation corporation; exempted from**  
16 **certain state laws.** ~~[To carry out the purposes and objectives~~  
17 ~~of this part, the]~~ The high technology innovation corporation  
18 shall be [granted flexibility in hiring its personnel and in  
19 handling and disbursing moneys by being] exempt from the  
20 following state laws ~~[in the Hawaii Revised Statutes:~~

21 ~~(1) Sections 36-27 and 36-30, relating to special fund~~  
22 ~~reimbursements to the state general fund;]:~~



- 1        (1) Chapter 36, relating to the management of state funds;  
2        (2) Chapter 38, relating to deposits of public funds;  
3        (3) Chapter 40, relating to state audit and accounting;  
4        [~~(2)~~] (4) Section 78-1, relating to public employment; and  
5        [~~(3)~~] (5) Chapter 76, relating to civil service."

6        SECTION 4. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8        SECTION 5. This Act shall take effect upon its approval.





HB 3058 HD1

**Report Title:**

High Technology Innovation Corporation; Exemptions

**Description:**

Exempts the High Technology Innovation Corporation from chapter 36, HRS, relating to the management of state funds, chapter 38, HRS, relating to the deposits of state funds, and chapter 40, HRS, relating to state audit and accounting. (HB3058 HD1)

