

JAN 25 2006

A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1 SECTION 1. Act 216 repealed the procurement code
2 exemptions of the High Technology Development Corporation in
3 sections 206M-3, Hawaii Revised Statutes, relating to general
4 powers of the corporation, and section 206M-42, Hawaii Revised
5 Statutes, relating to special facility leases. However, Act 216
6 did not amend section 206M-16(b), Hawaii Revised Statutes, which
7 provides an exemption for project agreements, construction
8 contracts, lease and sublease agreements, or other contracts,
9 unless a project agreement so requires.

10 The Attorney General recommended, in testimony on
11 October 24, 2005, that sections 206M-3 and 206M-42, Hawaii
12 Revised Statutes, be amended to restore the exemptions that were
13 repealed by Act 216 if the intent of the legislature is to
14 confer a broad procurement exemption to the corporation. The
15 one currently existing exemption under section 206M-16(b),
16 Hawaii Revised Statutes, is too specific to be read as a broad
17 exemption.



1 The purpose of this Act is to restore the procurement
2 exemptions for the high technology and development corporation,
3 in the interests of statutory consistency and interpretation.

4 SECTION 2. Section 206M-3, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) The corporation shall be exempt from [~~chapter~~
7 chapters 102[~~-~~] and 103D."

8 SECTION 3. Section 206M-42, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§206M-42 Powers.** In addition to any other powers granted
11 to the development corporation by law, the development
12 corporation may:

13 (1) With the approval of the governor[~~7~~] and without
14 public bidding, enter into a special facility lease or
15 an amendment or supplement thereto whereby the
16 development corporation agrees to acquire, construct,
17 improve, install, equip, and develop a special
18 facility solely for the use by another party to a
19 special facility lease;

20 (2) With the approval of the governor, issue special
21 facility revenue bonds in principal amounts that may
22 be necessary to yield the amount of the cost of any



1 acquisition, construction, improvement, installation,
2 equipping, and development of any special facility,
3 including, subject to paragraph (6), the costs of
4 acquisition of the site thereof; provided that the
5 total principal amount of the special facility revenue
6 bonds which may be issued pursuant to the
7 authorization of this section shall not exceed
8 \$100,000,000;

9 (3) With the approval of the governor, issue refunding
10 special facility revenue bonds with which to provide
11 for the payment of outstanding special facility
12 revenue bonds (including any special facility revenue
13 bonds theretofore issued for this refunding purpose)
14 or any part thereof; provided any issuance of
15 refunding special facility revenue bonds shall not
16 reduce the principal amount of the bonds that may be
17 issued as provided in paragraph (2);

18 (4) Perform and carry out the terms and provisions of any
19 special facility lease;

20 (5) Notwithstanding section 103-7 or any other law to the
21 contrary, acquire, construct, improve, install, equip
22 or develop any special facility, or accept the



1 assignment of any contract therefor entered into by
 2 the other party to the special facility lease;
 3 (6) Construct any special facility on land owned by the
 4 State; provided that no funds derived herein shall be
 5 expended for land acquisition; and
 6 (7) Agree with the other party to the special facility
 7 lease whereby any acquisition, construction,
 8 improvement, installation, equipping, or development
 9 of the special facility and the expenditure of moneys
 10 therefor shall be undertaken or supervised by another
 11 person. Any agreement under this paragraph shall not
 12 be subject to chapter 103D."

13 SECTION 4. Statutory material to be repealed is bracketed
 14 and stricken. New statutory material is underscored.

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

16

INTRODUCED BY: *Imogene G. Jarnage*
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Report Title:

Procurement Code

Description:

Restores procurement exemption for the high technology development corporation.

