

JAN 19 2007

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. The legislature recognizes that the natural
2 energy laboratory of Hawaii authority was created with the
3 intent to facilitate research and development of natural energy
4 resources and ocean-related research. In recent years, the
5 natural energy laboratory of Hawaii authority has received a
6 mandate from the administration to work toward self-sufficiency.
7 As the natural energy laboratory of Hawaii authority strives to
8 achieve this goal, there is concern that the land resources
9 under its control may be developed in ways that do not promote
10 its original purpose, specifically, by allowing the construction
11 of commercial hotels and transient accommodations.

12 The purpose of this Act is to reaffirm the purpose of the
13 natural energy laboratory of Hawaii authority as a facility for
14 natural energy resource and development, and to emphasize that
15 as it works toward self-sufficiency, its land resources are to
16 be used in ways that further its original goals.

17 SECTION 2. Section 227D-2, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

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1 "(a) There is established the natural energy laboratory of
2 Hawaii authority, which shall be a body corporate and politic
3 and an instrumentality and agency of the State. The authority
4 shall be placed within the department of business, economic
5 development, and tourism for administrative purposes, pursuant
6 to section 26-35. The purpose of the natural energy laboratory
7 of Hawaii authority shall be to facilitate research,
8 development, and commercialization of natural energy resources
9 and ocean-related research, technology, and industry in Hawaii
10 and to engage in retail, commercial, or tourism activities that
11 will financially support that research, development, and
12 commercialization at a research and technology park in Hawaii.

13 Its duties shall include:

14 (1) Establishing, managing, and operating facilities that
15 provide sites for:

16 (A) Research and development;

17 (B) Commercial projects and businesses utilizing
18 natural resources, such as ocean water or
19 geothermal energy;

20 (C) Compatible businesses engaged in scientific and
21 technological investigations, or retail,
22 commercial, and tourism activities; and



- 1 (D) Businesses or educational facilities that support
2 the primary projects and activities;
- 3 (2) Providing support, utilities, and other services to
4 facility tenants and government agencies;
- 5 (3) Maintaining the physical structure of the facilities;
- 6 (4) Promoting and marketing these facilities;
- 7 (5) Promoting and marketing the reasonable utilization of
8 available natural resources;
- 9 (6) Supporting ocean research and technology development
10 projects that support national and state interests,
11 use facilities and infrastructure in Hawaii, and
12 foster potential commercial development; and
- 13 (7) Engaging in retail, commercial, and tourism activities
14 that are not related to facilitating research,
15 development, and commercialization of natural energy
16 resources in Hawaii; provided that the natural energy
17 laboratory of Hawaii authority shall not use or
18 authorize the use of its real property in the vicinity
19 of its facilities for construction or development of
20 hotels or transient accommodations; and further
21 provided that all income derived from these activities



1 shall be deposited in the natural energy laboratory of
2 Hawaii authority special fund."

3 SECTION 3. Section 227D-3, Hawaii Revised Statutes, is
4 amended to read as follows:

5 **"§227D-3 Powers of the authority.** The authority may:

- 6 (1) Sue and be sued;
- 7 (2) Have a seal and alter the same at its pleasure;
- 8 (3) Promote the use of the geothermal energy and natural
9 resources sites for the purposes provided by law;
- 10 (4) Through its executive director appoint officers,
11 agents and employees without regard to chapter 76 and
12 to establish the salaries therefor;
- 13 (5) Adopt rules under chapter 91 necessary to effectuate
14 this chapter in connection with its operation,
15 facilities, parks, properties, and projects;
- 16 (6) Make, execute, enter into, amend, supplement, and
17 carry out contracts and all other instruments
18 necessary or convenient for the exercise of its powers
19 and functions under this chapter with any private
20 person, firm, partnership, association, company, or
21 corporation only as it may be necessary in the conduct
22 of its business and on such terms as it may deem



1 appropriate; provided that the authority shall not
2 obligate any funds of the State except as have been
3 appropriated to it. Notwithstanding the foregoing,
4 the authority may enter into and perform such
5 contracts, leases, cooperative agreements, or other
6 transactions with any agency or instrumentality of the
7 United States, a foreign nation, a state, a territory,
8 or a possession, or with any political subdivision
9 thereof;

10 (7) Accept, hold, or expend gifts or grants in any form
11 from any public agency or private source, or from any
12 other source;

13 (8) Impose and collect fees pertaining to the use of
14 properties and facilities of the authority;

15 (9) Formulate budgets to provide for the operation of the
16 facilities of the authority;

17 (10) Submit an annual report to the governor and the
18 legislature at least twenty days prior to the
19 convening of each regular session;

20 (11) Acquire, own, lease, hold, clear, improve, and
21 rehabilitate real, personal, or mixed property and
22 assign, exchange, transfer, convey, lease, sublease,



1 or encumber any project including by way of easements;
2 provided that the authority shall not lease property
3 where the purpose of the lease is for the construction
4 by the lessee or a subsequent assignee of a hotel or
5 other transient accommodations;

6 (12) Construct, reconstruct, rehabilitate, improve, alter,
7 or repair, or provide for the construction,
8 reconstruction, rehabilitation, improvement,
9 alteration, or repair of any project and designate a
10 qualified person as its agent for this purpose, and
11 own, hold, assign, transfer, convey, exchange, lease,
12 sublease, or encumber any project; provided that the
13 authority shall not construct or provide for the
14 construction of hotels or other transient
15 accommodation;

16 (13) Arrange or initiate appropriate action for the
17 planning, replanning, opening, grading, or closing of
18 streets, roads, roadways, alleys, easements, or other
19 places, the furnishings or improvements, the
20 acquisition of property or property rights, or the
21 furnishing of property or services in connection with
22 a research and technology park;



- 1 (14) Prepare or cause to be prepared plans, specifications,
2 designs, and estimates of cost for the construction,
3 reconstruction, rehabilitation, improvement,
4 alteration, or repair of any project or research and
5 technology park, and from time to time, modify these
6 plans, specifications, designs, or estimates;
- 7 (15) Engage the services of consultants on a contractual
8 basis for rendering professional and technical
9 assistance and advice;
- 10 (16) Procure insurance against any loss in connection with
11 its properties and other assets and operations in
12 amounts and from insurers as it deems desirable;
- 13 (17) Issue bonds pursuant to this chapter in principal
14 amounts as may be authorized from time to time by law
15 to finance the cost of a project, including the repair
16 or addition to its parks and facilities as authorized
17 by law and to provide for the security thereof as
18 permitted by this chapter;
- 19 (18) Lend or otherwise apply the proceeds of the bonds
20 issued for a project or a research and technology park
21 either directly or through a trustee or a qualified
22 person for use and application in the acquisition,



1 construction, installation, or modification of a
2 project or research and technology park, or agree with
3 the qualified person whereby any of these activities
4 shall be undertaken or supervised by that qualified
5 person or by a person designated by the qualified
6 person;

7 (19) With or without terminating a project agreement,
8 exercise any and all rights provided by law for entry
9 and re-entry upon or to take possession of a project
10 at any time or from time to time upon breach or
11 default by a qualified person under a project
12 agreement;

13 (20) Create an environment that supports appropriate
14 natural resource utilization and results in economic
15 development, including: supporting research projects
16 and facilitating the transition from research and
17 development to pilot scale and then to full commercial
18 operation of companies utilizing the natural resources
19 available at the research and technology parks;
20 developing educational and conservation programs;
21 supporting commercialization of the natural resources
22 available at the research and technology parks, if the



1 commercialization is compatible with the research,
2 development, and other retail, commercial, and tourism
3 activities of the research and technology parks;
4 identifying issues and impediments to the development
5 of natural resource utilization; and providing policy
6 analysis and information important to the development
7 of natural resource utilization in Hawaii;

8 (21) Develop programs that support projects and companies
9 ~~[which]~~ that locate at the research and technology
10 parks;

11 (22) Attract appropriate new uses of the natural resources
12 in Hawaii, including retail, commercial, and tourism
13 activities; provided that the authority shall place
14 minimal emphasis on attracting retail, commercial, and
15 tourism activities that have no relation to natural
16 resource use in Hawaii; and

17 (23) Do any or all other acts reasonably necessary to carry
18 out the purposes of the authority."

19 SECTION 4. This Act does not affect rights and duties that
20 matured, penalties that were incurred, and proceedings that were
21 begun, before its effective date.



1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect upon its approval.
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Report Title:

Natural Energy Laboratory of Hawaii Authority; Purpose

Description:

Specifically excludes hotel construction and development from the natural energy laboratory of Hawaii authority's authority.

