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## 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. Section 227D-1, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4           "Qualified security" means any note, stock, treasury stock  
5 bond, debenture, evidence of indebtedness, certificate of  
6 interest or participation in any profit-sharing agreement,  
7 preorganization certificate of subscription, transferable share,  
8 investment contract, certificate of deposit for a security,  
9 certificate of interest or participation in a patent or patent  
10 application, or in royalty or other payments under such a patent  
11 or application, or, in general, any interest or instrument  
12 commonly known as a "security" or any certificate for, receipt  
13 for, or option, warrant, or right to subscribe to or purchase  
14 any of the foregoing."

15           SECTION 2. Section 227D-3, Hawaii Revised Statutes, is  
16 amended to read as follows:

17           "§227D-3 Powers of the authority. The authority may:

18           (1) Sue and be sued;



- 1           (2)    Have a seal and alter the same at its pleasure;
- 2           (3)    Promote the use of the geothermal energy and natural
- 3                    resources sites for the purposes provided by law;
- 4           (4)    Through its executive director appoint officers,
- 5                    agents and employees without regard to chapter 76 and
- 6                    to establish the salaries therefor;
- 7           (5)    Adopt rules under chapter 91 necessary to effectuate
- 8                    this chapter in connection with its operation,
- 9                    facilities, parks, properties, and projects;
- 10          (6)    Make, execute, enter into, amend, supplement, and
- 11                    carry out contracts and all other instruments
- 12                    necessary or convenient for the exercise of its powers
- 13                    and functions under this chapter with any private
- 14                    person, firm, partnership, association, company, or
- 15                    corporation only as it may be necessary in the conduct
- 16                    of its business and on such terms as it may deem
- 17                    appropriate; provided that the authority shall not
- 18                    obligate any funds of the State except as have been
- 19                    appropriated to it. Notwithstanding the foregoing,
- 20                    the authority may enter into and perform such
- 21                    contracts, leases, cooperative agreements, or other
- 22                    transactions with any agency or instrumentality of the



- 1 United States, a foreign nation, a state, a territory,  
2 or a possession, or with any political subdivision  
3 thereof;
- 4 (7) Accept, hold, or expend gifts or grants in any form  
5 from any public agency or private source, or from any  
6 other source;
- 7 (8) Impose and collect fees pertaining to the use of  
8 properties and facilities of the authority;
- 9 (9) Formulate budgets to provide for the operation of the  
10 facilities of the authority;
- 11 (10) Submit an annual report to the governor and the  
12 legislature at least twenty days prior to the  
13 convening of each regular session;
- 14 (11) Acquire, own, lease, hold, clear, improve, and  
15 rehabilitate real, personal, or mixed property and  
16 assign, exchange, transfer, convey, lease, sublease,  
17 or encumber any project including by way of easements;
- 18 (12) Construct, reconstruct, rehabilitate, improve, alter,  
19 or repair, or provide for the construction,  
20 reconstruction, rehabilitation, improvement,  
21 alteration, or repair of any project and designate a  
22 qualified person as its agent for this purpose, and



1 own, hold, assign, transfer, convey, exchange, lease,  
2 sublease, or encumber any project;

3 (13) Arrange or initiate appropriate action for the  
4 planning, replanning, opening, grading, or closing of  
5 streets, roads, roadways, alleys, easements, or other  
6 places, the furnishings or improvements, the  
7 acquisition of property or property rights, or the  
8 furnishing of property or services in connection with  
9 a research and technology park;

10 (14) Prepare or cause to be prepared plans, specifications,  
11 designs, and estimates of cost for the construction,  
12 reconstruction, rehabilitation, improvement,  
13 alteration, or repair of any project or research and  
14 technology park, and from time to time, modify these  
15 plans, specifications, designs, or estimates;

16 (15) Engage the services of consultants on a contractual  
17 basis for rendering professional and technical  
18 assistance and advice;

19 (16) Procure insurance against any loss in connection with  
20 its properties and other assets and operations in  
21 amounts and from insurers as it deems desirable;



- 1           (17) Issue bonds pursuant to this chapter in principal  
2           amounts as may be authorized from time to time by law  
3           to finance the cost of a project, including the repair  
4           or addition to its parks and facilities as authorized  
5           by law and to provide for the security thereof as  
6           permitted by this chapter;
- 7           (18) Lend or otherwise apply the proceeds of the bonds  
8           issued for a project or a research and technology park  
9           either directly or through a trustee or a qualified  
10          person for use and application in the acquisition,  
11          construction, installation, or modification of a  
12          project or research and technology park, or agree with  
13          the qualified person whereby any of these activities  
14          shall be undertaken or supervised by that qualified  
15          person or by a person designated by the qualified  
16          person;
- 17          (19) With or without terminating a project agreement,  
18          exercise any and all rights provided by law for entry  
19          and re-entry upon or to take possession of a project  
20          at any time or from time to time upon breach or  
21          default by a qualified person under a project  
22          agreement;



- 1           (20) Create an environment that supports appropriate  
2           natural resource utilization and results in economic  
3           development, including: supporting research projects  
4           and facilitating the transition from research and  
5           development to pilot scale and then to full commercial  
6           operation of companies utilizing the natural resources  
7           available at the research and technology parks;  
8           developing educational and conservation programs;  
9           supporting commercialization of the natural resources  
10          available at the research and technology parks, if the  
11          commercialization is compatible with the research,  
12          development, and other retail, commercial, and tourism  
13          activities of the research and technology parks;  
14          identifying issues and impediments to the development  
15          of natural resource utilization; and providing policy  
16          analysis and information important to the development  
17          of natural resource utilization in Hawaii;
- 18          (21) Develop programs that support projects and companies  
19          which locate at the research and technology parks;
- 20          (22) Attract appropriate new uses of the natural resources  
21          in Hawaii, including retail, commercial, and tourism  
22          activities; [and]



1       (23) Acquire, hold, and sell qualified securities; provided  
2       that the authority does not acquire qualified  
3       securities using authority funds or capital or moneys  
4       of the natural energy laboratory of Hawaii authority  
5       special fund; provided further that the authority  
6       shall not acquire, hold, or sell qualified securities  
7       of its tenants without first obtaining the approval  
8       the board by a simple majority vote in each case  
9       considered;

10       (24) Accept donations, grants, bequests, and devises of  
11       money, property, service, or other things of value  
12       that may be received from the United States or any  
13       agency thereof, any governmental agency, or any public  
14       or private institution, person, firm, or corporation,  
15       to be held, used, or applied for any or all of the  
16       purposes specified in this chapter. Receipt of each  
17       donation or grant shall be detailed in the annual  
18       report of the board. The report shall include the  
19       identity of the donor or lender, the nature of the  
20       transaction, and any conditions attaching thereto; and

21       (25) Do any or all other acts reasonably necessary to carry  
22       out the purposes of the authority."



# H.B. NO. 2831

1           SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

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

4

INTRODUCED BY: *Cindy Evans*

JAN 27 2010





**Report Title:**

Natural Energy Laboratory of Hawaii Authority

**Description:**

Authorizes natural energy laboratory of Hawaii to acquire, hold, and sell qualified securities subject to certain conditions.  
Authorizes NELHA to accept donations of money and services.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

