
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
5 stock, 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~~]
- 4 (A) Supporting research projects and facilitating the
5 transition from research and development to pilot
6 scale and then to full commercial operation of
7 companies [~~utilizing~~] using the natural resources
8 available at the research and technology parks;
9 [~~developing~~]
- 10 (B) Developing educational and conservation programs;
11 [~~supporting~~]
- 12 (C) Supporting commercialization of the natural
13 resources available at the research and
14 technology parks, if the commercialization is
15 compatible with the research, development, and
16 other retail, commercial, and tourism activities
17 of the research and technology parks;
18 [~~identifying~~]
- 19 (D) Identifying issues and impediments to the
20 development of natural resource utilization; and
21 [~~providing~~]



- 1 (E) Providing policy analysis and information
2 important to the development of natural resource
3 utilization in Hawaii;
- 4 (21) Develop programs that support projects and companies
5 which locate at the research and technology parks;
- 6 (22) Attract appropriate new uses of the natural resources
7 in Hawaii, including retail, commercial, and tourism
8 activities; [and]
- 9 (23) Acquire, hold, and sell qualified securities; provided
10 that the authority shall not acquire qualified
11 securities using authority funds or capital or moneys
12 of the natural energy laboratory of Hawaii authority
13 special fund; provided further that the authority
14 shall not acquire, hold, or sell qualified securities
15 of its tenants without first obtaining the approval of
16 the board by a simple majority vote in each case
17 considered. The acquisition and sale of qualified
18 securities shall be detailed in the annual report of
19 the natural energy laboratory of Hawaii authority;
- 20 (24) Accept donations, grants, bequests, and devises of
21 money, property, services, or other things of value
22 that may be received from the United States or any



1 agency thereof, any governmental agency, or any public
2 or private institution, person, firm, or corporation,
3 to be held, used, or applied for any or all of the
4 purposes specified in this chapter. Receipt of each
5 donation, grant, bequest, or devise shall be detailed
6 in the annual report of the natural energy laboratory
7 of Hawaii authority. The report shall include the
8 identity of the donor or grantor, the nature of the
9 transaction, and any conditions attaching thereto; and
10 ~~[(23)]~~ (25) Do any or all other acts reasonably necessary to
11 carry out the purposes of the authority."

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Natural Energy Laboratory of Hawaii Authority

Description:

Authorizes the natural energy laboratory of Hawaii authority (NELHA) to acquire, hold, and sell qualified securities subject to certain conditions; authorizes NELHA to accept donations of money, property, and services; requires NELHA to report on these matters in the NELHA annual report. Effective 7/1/2050.

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