

JAN 18 2013

A BILL FOR AN ACT

RELATING TO EXEMPTIONS.

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

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PART I

DEPARTMENT OF HAWAIIAN HOME LANDS

SECTION 1. Section 220, Hawaiian Homes Commission Act of 1920, is amended by amending subsection (a) to read as follows:

"(a) Subject to subsection (d), the department is authorized directly to undertake and carry on general water and other development projects in respect to Hawaiian home lands and to undertake other activities having to do with the economic and social welfare of the homesteaders, including the authority to derive revenue from the sale, to others than homesteaders, of water and other products of such projects or activities, or from the enjoyment thereof by others than homesteaders, where such sale of products or enjoyment of projects or activities by others does not interfere with the proper performance of the duties of the department; provided that roads through or over Hawaiian home lands, other than federal-aid highways and roads, shall be maintained by the county in which the particular road or roads to be maintained are located.



1 (e) The board, through its executive director, may appoint
2 officers, agents, and employees; prescribe their duties and
3 qualifications; and fix their salaries[~~, without regard to~~
4 ~~chapter 76~~]."

5 SECTION 4. Section 163D-6, Hawaii Revised Statutes, is
6 amended by amending subsection (b) to read as follows:

7 "(b) If the corporation acquires the assets of a private
8 or other corporation, then[~~, notwithstanding any law to the~~
9 ~~contrary~~]:

10 (1) [~~Neither the~~] The corporation [~~nor~~] and any subsidiary
11 corporation vested with the assets shall be subject to
12 chapter 91 with respect to the assets;

13 (2) Employees retained to operate the assets shall [~~not~~]
14 be subject to chapter 76;

15 (3) Assets constituting real property interest shall [~~not~~]
16 be subject to chapter 171;

17 (4) [~~No~~] An investment, loan, or use of funds by the
18 corporation or a subsidiary corporation vested with
19 the assets shall be subject to chapter 42F or 103; and

20 (5) [~~Neither the~~] The corporation [~~nor~~] and a subsidiary
21 corporation vested with the assets shall constitute a



1 public utility [~~or~~] and be subject to the jurisdiction
2 of the public utilities commission under chapter 269."

3 SECTION 5. Section 163D-18, Hawaii Revised Statutes, is
4 repealed.

5 ~~["~~§163D-18~~ Exemption from taxation. The corporation
6 shall not be required to pay state taxes of any kind."]~~

7 **PART III**

8 **PUBLIC LAND DEVELOPMENT CORPORATION**

9 SECTION 6. Section 171C-3, Hawaii Revised Statutes, is
10 amended by amending subsections (c) and (d) to read as follows:

11 "(c) The board shall appoint an executive director, who
12 shall serve at the pleasure of the board [~~and shall be exempt
13 from chapter 76~~]. The salary of the executive director shall be
14 set by the board.

15 (d) The board, through its executive director, may appoint
16 officers, agents, and employees; prescribe their duties and
17 qualifications; and fix their salaries[, ~~without regard to
18 chapter 76~~]."

19 SECTION 7. Section 171C-17, Hawaii Revised Statutes, is
20 amended by amending subsection (g) to read as follows:



1 "(g) [~~Ne~~] Any investment, loan, grant, or use of corporate
2 funds for the purposes of this chapter shall be subject to
3 chapter 42F."

4 SECTION 8. Section 171C-18, Hawaii Revised Statutes, is
5 repealed.

6 ~~["[~~\$171C-18~~] Exemption from taxation. The corporation
7 shall not be required to pay state taxes of any kind."]~~

8 SECTION 9. Section 171C-19, Hawaii Revised Statutes, is
9 repealed.

10 ~~["[~~\$171C-19~~] Exemption from requirements. Notwithstanding
11 section 171-42 and except as otherwise noted in this chapter,
12 projects pursuant to this chapter shall be exempt from all
13 statutes, ordinances, charter provisions, and rules of any
14 government agency relating to special improvement district
15 assessments or requirements; land use, zoning, and construction
16 standards for subdivisions, development, and improvement of
17 land; and the construction, improvement, and sale of homes
18 thereon; provided that the public land planning activities of
19 the corporation shall be coordinated with the county planning
20 departments and the county land use plans, policies, and
21 ordinances."]~~

22

PART IV

HAWAII TOURISM AUTHORITY

SECTION 10. Section 40-6, Hawaii Revised Statutes, is amended to read as follows:

"§40-6 Approval of business and accounting forms. The comptroller shall determine the forms required to adequately supply accounting and statistical data for the state government. The comptroller shall require heads of departments and establishments of the state government to submit proposed new forms or proposed changes in current business and accounting forms for review and approval before ordering the same printed; except that the University of Hawaii until June 30, 2016, [~~the Hawaii tourism authority,~~] and the department of education until June 30, 2011, shall be subject to this requirement only with respect to uniform business and accounting forms of statewide use in the State's accounting system. All standard state forms shall be classified, numbered, and standardized in design, dimensions, color, and grade of paper and recorded in a catalogue of accounting and statistical forms by the comptroller."

SECTION 11. Section 201B-2, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:



1 "(f) The board shall appoint one person to serve as
2 president and chief executive officer [~~exempt from chapters 76~~
3 ~~and 88~~] who shall oversee the authority staff; provided that the
4 compensation package, including salary, shall not exceed nine
5 per cent of the five per cent authorized for administrative
6 expenses under section 201B-11(c); and provided further that the
7 compensation package shall not include private sector moneys or
8 other contributions. The board shall set the president and
9 chief executive officer's duties, responsibilities, holidays,
10 vacations, leaves, hours of work, and working conditions. It
11 may grant other benefits as it deems necessary."

12 SECTION 12. Section 201B-2.5, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) The board may fix the compensation of the attorneys
15 appointed or retained pursuant to this section. Attorneys
16 appointed or retained by contract shall not be exempt from
17 chapters 76, 78, and 88."

18 SECTION 13. Section 201B-5, Hawaii Revised Statutes, is
19 repealed.

20 ~~["§201B-5 Exemption of Hawaii tourism authority from~~
21 ~~administrative supervision of boards and commissions.~~

22 ~~Notwithstanding any law to the contrary, the authority shall be~~



1 ~~exempt from section 26-35 with the exception of section 26-~~
2 ~~35(a)(2), (3), (7), (8) and subsection (b)."]~~

3 SECTION 14. Section 201B-12, Hawaii Revised Statutes, is
4 repealed.

5 ~~["~~§201B-12~~ Exemption of authority from taxation and~~
6 ~~Hawaii public procurement code.~~ (a) All revenues and receipts
7 derived by the authority from any project or a project agreement
8 or other agreement pertaining thereto shall be exempt from all
9 state taxation. Any right, title, and interest of the authority
10 in any project shall also be exempt from all state taxation.
11 Except as otherwise provided by law, the interest of a qualified
12 person or other user of a project or a project agreement or
13 other agreements related to a project shall not be exempt from
14 taxation to a greater extent than it would be if the costs of
15 the project were directly financed by the qualified person or
16 user.

17 ~~(b) The authority shall not be subject to chapter 103D and~~
18 ~~any and all other requirements of law for competitive bidding~~
19 ~~for project agreements, construction contracts, lease and~~
20 ~~sublease agreements, or other contracts unless a project~~
21 ~~agreement with respect to a project otherwise shall require."]~~

22 PART V



1 **HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

2 SECTION 15. Section 201H-2, Hawaii Revised Statutes, is
3 amended by amending subsection (b) to read as follows:

4 "(b) The corporation shall employ[~~, exempt from chapter 76~~
5 ~~and section 26-35(a)(4),~~] an executive director and an executive
6 assistant. The executive director shall be paid a salary not to
7 exceed eighty-five per cent of the salary of the director of
8 human resources development. The executive assistant shall be
9 paid a salary not to exceed ninety per cent of the executive
10 director's salary. The corporation may employ, subject to
11 chapter 76, technical experts and officers, agents, and
12 employees, permanent and temporary, as required. The
13 corporation may also employ officers, agents, and employees,
14 prescribe their duties and qualifications, and fix their
15 salaries[~~, not subject to chapter 76,~~] when in the determination
16 of the corporation, the services to be performed are unique and
17 essential to the execution of the functions of the corporation.
18 The corporation may call upon the attorney general for legal
19 services as it may require. The corporation may delegate to one
20 or more of its agents or employees its powers and duties as it
21 deems proper."



1 SECTION 16. Section 201H-9, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The corporation may own or hold real property. All
4 real property owned or held by the corporation shall be exempt
5 from mechanic's or materialman's liens and also from levy and
6 sale by virtue of an execution, and no execution or other
7 judicial process shall issue against the same nor shall any
8 judgment against the corporation be a charge or lien upon its
9 real property; provided that this subsection shall not apply to
10 or limit the right of obligees to foreclose or otherwise enforce
11 any mortgage of the corporation or the right of obligees to
12 pursue any remedies for the enforcement of any pledge or lien
13 given by the corporation on its rents, fees, or revenues. [The
14 ~~corporation and its property shall be exempt from all taxes and~~
15 ~~assessments.]"~~

16 SECTION 17. Section 201H-33, Hawaii Revised Statutes, is
17 amended by amending subsection (c) to read as follows:

18 "(c) The corporation shall adopt, pursuant to chapter 91,
19 rules on health, safety, building, planning, zoning, and land
20 use that relate to the development, subdivision, and
21 construction of dwelling units in housing projects in which the
22 State, through the corporation, shall participate. The rules



1 shall not contravene any safety standards or tariffs approved by
2 the public utilities commission, and shall follow existing law
3 as closely as is consistent with the production of lower cost
4 housing with standards that meet minimum requirements of good
5 design, pleasant amenities, health, safety, and coordinated
6 development.

7 When adopted, the rules shall have the force and effect of
8 law [~~and shall supersede, for all housing projects in which the~~
9 ~~State, through the corporation, shall participate, all other~~
10 ~~inconsistent laws, ordinances, and rules relating to the use,~~
11 ~~zoning, planning, and development of land, and the construction~~
12 ~~of dwelling units thereon. The rules, before becoming~~
13 ~~effective, shall be presented to the legislative body of each~~
14 ~~county in which they will be effective and the legislative body~~
15 ~~of any county may within forty five days approve or disapprove,~~
16 ~~for that county, any or all of the rules by a majority vote of~~
17 ~~its members. On the forty sixth day after submission, any rules~~
18 ~~not disapproved shall be deemed to have been approved by the~~
19 ~~county]."~~

20 SECTION 18. Section 201H-38, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 "(a) The corporation may develop on behalf of the State or
2 with an eligible developer, or may assist under a government
3 assistance program in the development of, housing projects that
4 shall be [~~exempt from~~] subject to all statutes, ordinances,
5 charter provisions, and rules of any government agency relating
6 to planning, zoning, construction standards for subdivisions,
7 development and improvement of land, and the construction of
8 dwelling units thereon [~~; provided that:~~

9 ~~(1) The corporation finds the housing project is
10 consistent with the purpose and intent of this
11 chapter, and meets minimum requirements of health and
12 safety;~~

13 ~~(2) The development of the proposed housing project does
14 not contravene any safety standards, tariffs, or rates
15 and fees approved by the public utilities commission
16 for public utilities or of the various boards of water
17 supply authorized under chapter 54;~~

18 ~~(3) The legislative body of the county in which the
19 housing project is to be situated shall have approved
20 the project with or without modifications:~~

21 ~~(A) The legislative body shall approve, approve with
22 modification, or disapprove the project by~~



1 ~~resolution within forty-five days after the~~
2 ~~corporation has submitted the preliminary plans~~
3 ~~and specifications for the project to the~~
4 ~~legislative body. If on the forty-sixth day a~~
5 ~~project is not disapproved, it shall be deemed~~
6 ~~approved by the legislative body;~~

7 ~~(B) No action shall be prosecuted or maintained~~
8 ~~against any county, its officials, or employees~~
9 ~~on account of actions taken by them in reviewing,~~
10 ~~approving, modifying, or disapproving the plans~~
11 ~~and specifications; and~~

12 ~~(C) The final plans and specifications for the~~
13 ~~project shall be deemed approved by the~~
14 ~~legislative body if the final plans and~~
15 ~~specifications do not substantially deviate from~~
16 ~~the preliminary plans and specifications. The~~
17 ~~final plans and specifications for the project~~
18 ~~shall constitute the zoning, building,~~
19 ~~construction, and subdivision standards for that~~
20 ~~project. For purposes of sections 501-85 and~~
21 ~~502-17, the executive director of the corporation~~
22 ~~or the responsible county official may certify~~



1 ~~maps and plans of lands connected with the~~
2 ~~project as having complied with applicable laws~~
3 ~~and ordinances relating to consolidation and~~
4 ~~subdivision of lands, and the maps and plans~~
5 ~~shall be accepted for registration or recordation~~
6 ~~by the land court and registrar; and~~

7 ~~(4) The land use commission shall approve, approve with~~
8 ~~modification, or disapprove a boundary change within~~
9 ~~forty five days after the corporation has submitted a~~
10 ~~petition to the commission as provided in section 205-~~
11 ~~4. If, on the forty sixth day, the petition is not~~
12 ~~disapproved, it shall be deemed approved by the~~
13 ~~commission]."~~

14 SECTION 19. Section 201H-40, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:

16 "(b) In selecting the eligible developers or in
17 contracting any services or materials for the purposes of this
18 chapter, the corporation shall ~~[not]~~ be subject to the
19 competitive bidding laws."

20 SECTION 20. Section 201H-41, Hawaii Revised Statutes, is
21 amended by amending subsection (c) to read as follows:



1 "(c) The corporation may accept and approve housing
2 projects independently initiated by private developers that
3 fully comply with subsections (a) and (b). [~~The corporation may
4 review the plans, specifications, districting, and zoning of the
5 project for the purpose of exempting the project from all
6 statutes, ordinances, charter provisions, and rules of any
7 government agency relating to zoning and construction standards
8 for subdivisions, development, and improvement of land and the
9 construction, improvement, and sale of dwelling units thereon;
10 provided that the procedures in section 201H-38(a)(1), (2), and
11 (3) have been satisfied.]"~~

12 SECTION 21. Section 201H-79, Hawaii Revised Statutes, is
13 amended by amending subsection (c) to read as follows:

14 "(c) The director of finance shall approve those rates so
15 as to produce up to, but not in excess of, the maximum yield to
16 the State or the corporation permitted under the Internal
17 Revenue Code of 1986, as amended, and the regulations of the
18 Internal Revenue Service promulgated pursuant thereto, on the
19 assumption that the general obligation bonds of the State, the
20 proceeds of which have been or are to be used for the purposes
21 of making loans or purchasing mortgages under this chapter,
22 would otherwise be "arbitrage bonds" under the Internal Revenue



1 Code of 1986, as amended, and the regulations of the Internal
2 Revenue Service promulgated pursuant thereto, were the maximum
3 yield to be exceeded. The establishment of the rates of interest
4 shall be ~~[exempt from]~~ subject to chapter 91."

5 SECTION 22. Section 201H-36, Hawaii Revised Statutes, is
6 repealed.

7 ~~["§201H-36] Exemption from general excise taxes. (a) In~~
8 ~~accordance with section 237-29, the corporation may approve and~~
9 ~~certify for exemption from general excise taxes any qualified~~
10 ~~person or firm involved with a newly constructed, or moderately~~
11 ~~or substantially rehabilitated project:~~

12 ~~(1) Developed under this part;~~

13 ~~(2) Developed under a government assistance program~~
14 ~~approved by the corporation, including but not limited~~
15 ~~to the United States Department of Agriculture 502~~
16 ~~program and Federal Housing Administration 235~~
17 ~~program;~~

18 ~~(3) Developed under the sponsorship of a private nonprofit~~
19 ~~organization providing home rehabilitation or new~~
20 ~~homes for qualified families in need of decent, low-~~
21 ~~cost housing; or~~



1 ~~(4) Developed by a qualified person or firm to provide~~
2 ~~affordable rental housing where at least fifty per~~
3 ~~cent of the available units are for households with~~
4 ~~incomes at or below eighty per cent of the area median~~
5 ~~family income as determined by the United States~~
6 ~~Department of Housing and Urban Development, of which~~
7 ~~at least twenty per cent of the available units are~~
8 ~~for households with incomes at or below sixty per cent~~
9 ~~of the area median family income as determined by the~~
10 ~~United States Department of Housing and Urban~~
11 ~~Development.~~

12 ~~(b) All claims for exemption under this section shall be~~
13 ~~filed with and certified by the corporation and forwarded to the~~
14 ~~department of taxation. Any claim for exemption that is filed~~
15 ~~and approved, shall not be considered a subsidy for the purpose~~
16 ~~of this part.~~

17 ~~(c) For the purposes of this section:~~

18 ~~"Moderate rehabilitation" means rehabilitation to upgrade a~~
19 ~~dwelling unit to a decent, safe, and sanitary condition, or to~~
20 ~~repair or replace major building systems or components in danger~~
21 ~~of failure.~~

22 ~~"Substantial rehabilitation":~~



- 1 ~~(1) Means the improvement of a property to a decent, safe,~~
2 ~~and sanitary condition that requires more than routine~~
3 ~~or minor repairs or improvements. It may include but~~
4 ~~is not limited to the gutting and extensive~~
5 ~~reconstruction of a dwelling unit, or cosmetic~~
6 ~~improvements coupled with the curing of a substantial~~
7 ~~accumulation of deferred maintenance; and~~
- 8 ~~(2) Includes renovation, alteration, or remodeling to~~
9 ~~convert or adapt structurally sound property to the~~
10 ~~design and condition required for a specific use, such~~
11 ~~as conversion of a hotel to housing for elders.~~

12 ~~(d) The corporation may establish, revise, charge, and~~
13 ~~collect a reasonable service fee, as necessary, in connection~~
14 ~~with its approvals and certifications under this section. The~~
15 ~~fees shall be deposited into the dwelling unit revolving fund."]~~

16 SECTION 23. Section 201H-37, Hawaii Revised Statutes, is
17 repealed.

18 ~~["~~§201H-37~~ Exemption from tax on income and obligations.~~

19 ~~Income earned and obligations issued by a nonprofit entity~~
20 ~~determined to constitute a "public housing agency" pursuant to~~
21 ~~section 3(6) of the United States Housing Act of 1937, as~~
22 ~~amended, and which income and obligations are declared by the~~



1 ~~United States Department of Housing and Urban Development to be~~
2 ~~exempt from all taxation imposed by the United States pursuant~~
3 ~~to section 11(b) of the Act, shall be exempt from all taxation~~
4 ~~now or hereafter imposed by the State."]~~

5 **PART VI**

6 **HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

7 SECTION 24. Section 206E-3, Hawaii Revised Statutes, is
8 amended by amending subsection (c) to read as follows:

9 "(c) The authority shall appoint the executive director
10 who shall be the chief executive officer. The authority shall
11 set the salary of the executive director, who shall serve at the
12 pleasure of the authority [~~and shall be exempt from chapter~~
13 ~~76]."~~

14 SECTION 25. Section 206E-4, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§206E-4 Powers; generally.** Except as otherwise limited
17 by this chapter, the authority may:

- 18 (1) Sue and be sued;
19 (2) Have a seal and alter the same at pleasure;
20 (3) Make and execute contracts and all other instruments
21 necessary or convenient for the exercise of its powers
22 and functions under this chapter;



- 1 (4) Make and alter bylaws for its organization and
2 internal management;
- 3 (5) Make rules with respect to its projects, operations,
4 properties, and facilities, which rules shall be in
5 conformance with chapter 91;
- 6 (6) Through its executive director appoint officers,
7 agents, and employees, prescribe their duties and
8 qualifications, and fix their salaries[, ~~without~~
9 ~~regard to chapter 76~~];
- 10 (7) Prepare or cause to be prepared a community
11 development plan for all designated community
12 development districts;
- 13 (8) Acquire, reacquire, or contract to acquire or
14 reacquire by grant or purchase real, personal, or
15 mixed property or any interest therein; to own, hold,
16 clear, improve, and rehabilitate, and to sell, assign,
17 exchange, transfer, convey, lease, or otherwise
18 dispose of or encumber the same;
- 19 (9) Acquire or reacquire by condemnation real, personal,
20 or mixed property or any interest therein for public
21 facilities, including but not limited to streets,



- 1 sidewalks, parks, schools, and other public
2 improvements;
- 3 (10) By itself, or in partnership with qualified persons,
4 acquire, reacquire, construct, reconstruct,
5 rehabilitate, improve, alter, or repair or provide for
6 the construction, reconstruction, improvement,
7 alteration, or repair of any project; own, hold, sell,
8 assign, transfer, convey, exchange, lease, or
9 otherwise dispose of or encumber any project, and in
10 the case of the sale of any project, accept a purchase
11 money mortgage in connection therewith; and repurchase
12 or otherwise acquire any project which the authority
13 has theretofore sold or otherwise conveyed,
14 transferred, or disposed of;
- 15 (11) Arrange or contract for the planning, replanning,
16 opening, grading, or closing of streets, roads,
17 roadways, alleys, or other places, or for the
18 furnishing of facilities or for the acquisition of
19 property or property rights or for the furnishing of
20 property or services in connection with a project;
- 21 (12) Grant options to purchase any project or to renew any
22 lease entered into by it in connection with any of its



1 projects, on such terms and conditions as it deems
2 advisable;

3 (13) Prepare or cause to be prepared plans, specifications,
4 designs, and estimates of costs for the construction,
5 reconstruction, rehabilitation, improvement,
6 alteration, or repair of any project, and from time to
7 time to modify such plans, specifications, designs, or
8 estimates;

9 (14) Provide advisory, consultative, training, and
10 educational services, technical assistance, and advice
11 to any person, partnership, or corporation, either
12 public or private, to carry out the purposes of this
13 chapter, and engage the services of consultants on a
14 contractual basis for rendering professional and
15 technical assistance and advice;

16 (15) Procure insurance against any loss in connection with
17 its property and other assets and operations in such
18 amounts and from such insurers as it deems desirable;

19 (16) Contract for and accept gifts or grants in any form
20 from any public agency or from any other source;



- 1 (17) Do any and all things necessary to carry out its
2 purposes and exercise the powers given and granted in
3 this chapter;
- 4 (18) Allow satisfaction of any affordable housing
5 requirements imposed by the authority upon any
6 proposed development project through the construction
7 of reserved housing, as defined in section 206E-101,
8 by a person on land located outside the geographic
9 boundaries of the authority's jurisdiction; provided
10 that the authority shall not permit any person to make
11 cash payments in lieu of providing reserved housing,
12 except to account for any fractional unit that results
13 after calculating the percentage requirement against
14 residential floor space or total number of units
15 developed. The substituted housing shall be located
16 on the same island as the development project and
17 shall be substantially equal in value to the required
18 reserved housing units that were to be developed on
19 site. The authority shall establish the following
20 priority in the development of reserved housing:
21 (A) Within the community development district;



- 1 (B) Within areas immediately surrounding the
- 2 community development district;
- 3 (C) Areas within the central urban core;
- 4 (D) In outlying areas within the same island as the
- 5 development project.

6 The Hawaii community development authority shall
7 adopt rules relating to the approval of reserved
8 housing that are developed outside of a community
9 development district. The rules shall include, but
10 are not limited to, the establishment of guidelines to
11 ensure compliance with the above priorities; and

- 12 (19) Assist the public land development corporation
- 13 established by section 171C-3 in identifying public
- 14 lands that may be suitable for development, carrying
- 15 on marketing analysis to determine the best revenue-
- 16 generating programs for the public lands identified,
- 17 entering into public-private agreements to
- 18 appropriately develop the public lands identified, and
- 19 providing the leadership for the development,
- 20 financing, improvement, or enhancement of the selected
- 21 development opportunities; provided that no assistance



1 shall be provided unless the authority authorizes the
2 assistance."

3 SECTION 26. Section 206E-7, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "~~+~~§206E-7~~+~~ **Community development rules.** The authority
6 shall establish community development rules under chapter 91 on
7 health, safety, building, planning, zoning, and land use ~~[which,~~
8 ~~upon final adoption of a community development plan, shall~~
9 ~~supersede all other inconsistent ordinances and rules relating~~
10 ~~to the use, zoning, planning, and development of land and~~
11 ~~construction thereon]~~. Rules adopted under this section shall
12 follow existing law, rules, ordinances, and regulations as
13 closely as is consistent with standards meeting minimum
14 requirements of good design, pleasant amenities, health, safety,
15 and coordinated development. The authority may, in the
16 community development plan or by a community development rule,
17 provide that lands within a community development district shall
18 not be developed beyond existing uses or that improvements
19 thereon shall not be demolished or substantially reconstructed,
20 or provide other restrictions on the use of the lands."

21 SECTION 27. Section 206E-16.5, Hawaii Revised Statutes, is
22 repealed.



1 "(d) The board shall appoint a chief executive officer.
2 The board shall set the salary of the executive officer, who
3 shall serve at the pleasure of the board [~~and shall be exempt~~
4 ~~from chapter 76~~]."

5 SECTION 30. Section 206J-5, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) The development corporation shall have all the powers
8 necessary to carry out its purposes, including the following
9 powers:

- 10 (1) To sue and be sued;
- 11 (2) To have a seal and alter the same at its pleasure;
- 12 (3) To make and execute contracts and all other
13 instruments necessary or convenient for the exercise
14 of its powers and functions under this chapter;
- 15 (4) To make and alter bylaws for its organization and
16 internal management;
- 17 (5) To adopt rules under chapter 91 necessary to
18 effectuate this chapter in connection with its
19 projects, operations, properties, and facilities;
- 20 (6) Through its chief executive officer, to appoint
21 officers, agents, and employees, prescribe their
22 duties and qualifications, and fix their salaries,



1 consistent with chapter 76; its chief executive
2 officer may also appoint officers, agents, and
3 employees, prescribe their duties and qualifications,
4 and fix their salaries [~~without regard to chapter~~
5 76];

6 (7) To prepare or cause to be prepared a development plan
7 for the Aloha Tower complex, incorporating the needs
8 of the department of transportation and accommodating
9 the plans, specifications, designs, or estimates of
10 any project acceptable to the development corporation;

11 (8) To own, lease, hold, clear, improve, and rehabilitate
12 real, personal, or mixed property and to assign,
13 exchange, transfer, convey, lease, sublease, or
14 encumber any project or improvement, including
15 easements, constituting part of a project within the
16 Aloha Tower complex, except that required for
17 necessary maritime purposes, including leases or other
18 agreements for the rehabilitation, repair,
19 maintenance, and operation of the Aloha Tower;

20 (9) By itself, or in conjunction with qualified persons,
21 to develop, construct, reconstruct, rehabilitate,
22 improve, alter, or repair or provide for the



1 development, construction, reconstruction,
2 rehabilitation, improvement, alteration, or repair of
3 any project, including projects or any portion thereof
4 under the control or jurisdiction of qualified
5 persons; to own, hold, assign, transfer, convey,
6 exchange, lease, sublease, or encumber any project,
7 including projects or any portion thereof under the
8 control or jurisdiction of qualified persons;

9 (10) Notwithstanding any other provision of law to the
10 contrary, to arrange or initiate appropriate action
11 for the planning, replanning, opening, grading,
12 relocating, or closing of streets, roads, roadways,
13 alleys, easements, piers, or other places, the
14 furnishing of facilities, the acquisition of property
15 or property rights, or the furnishing of property,
16 development rights, or services in connection with a
17 project;

18 (11) To grant options or renew any lease entered into by it
19 in connection with any project, on terms and
20 conditions as it deems advisable;

21 (12) To prepare or cause to be prepared plans,
22 specifications, designs, and estimates of project cost



1 for the development, construction, reconstruction,
2 rehabilitation, improvement, alteration, or repair of
3 any project, and from time to time to modify such
4 plans, specifications, designs, or estimates;

5 (13) To provide advisory, consultative, training, and
6 educational services, technical assistance, and advice
7 to any person, partnership, or corporation, either
8 public or private, in order to carry out the purposes
9 of this chapter, and engage the services of
10 consultants on a contractual basis for rendering
11 professional and technical assistance and advice;

12 (14) To procure insurance against any loss in connection
13 with its property and other assets and operations in
14 such amounts and from such insurers as it deems
15 desirable;

16 (15) To contract for and accept gifts or grants in any form
17 from any public agency or from any other source;

18 (16) To pledge or assign all or any part of the moneys,
19 rents, charges, or other revenues and any proceeds
20 derived by the development corporation from proceeds
21 of insurance or condemnation awards, less guarantees
22 to the harbor special fund for the loss of revenues or



1 incurrence of costs and expenses because of any action
2 taken by the development corporation; and
3 (17) To issue bonds of the development corporation for the
4 purpose of providing funds for any of its corporate
5 purposes."

6 SECTION 31. Section 206J-7, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§206J-7 Development rules.** The development corporation
9 shall adopt rules under chapter 91 to be followed during the
10 course of the development of the Aloha Tower complex, which are
11 to be known as development rules in connection with health,
12 safety, building, planning, zoning, and land use[~~, which, upon~~
13 ~~final adoption of a development plan for the Aloha Tower~~
14 ~~complex, shall supersede all other inconsistent ordinances and~~
15 ~~rules relating to the use, zoning, planning, and development of~~
16 ~~land and construction thereon within the Aloha Tower complex].~~
17 Rules adopted under this section shall be adopted under chapter
18 91 and shall follow existing law, rules, ordinances, and
19 regulations as closely as is consistent with standards meeting
20 minimum requirements of good design, pleasant amenities, health,
21 safety, and coordinated development. The rules shall also
22 insure that necessary maritime activities are not impaired."



1 SECTION 32. Section 206J-21, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~§206J-21 Construction of this chapter.~~ The powers
4 conferred by this chapter shall be in addition and supplemental
5 to the powers conferred by any other law. [~~Insofar as the~~
6 ~~provisions of this chapter are inconsistent with the provisions~~
7 ~~of any other law, this chapter shall be controlling.]"~~

8 SECTION 33. Section 206J-16, Hawaii Revised Statutes, is
9 repealed.

10 [~~§206J-16 Exemption from taxation of development~~
11 ~~corporation.~~ All revenues derived by the development
12 corporation from any project or under a lease or other agreement
13 pertaining thereto shall be exempt from all state and county
14 taxation. Any right, title, and interest of the development
15 corporation in any project shall also be exempt from all state
16 and county taxation. Except as otherwise provided by law, the
17 interest of a qualified person or other user of a project under
18 a lease or other agreements related to a project shall not be
19 exempt from taxation to a greater extent than it would be if the
20 costs of the project were directly financed by the qualified
21 person or other user."]

22

PART VIII



1 **HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

2 SECTION 34. Section 206M-2, Hawaii Revised Statutes, is
3 amended by amending subsection (d) to read as follows:

4 "(d) The board shall appoint a chief executive officer,
5 who shall serve at the pleasure of the board [~~and shall be~~
6 ~~exempt from chapter 76~~]. The board shall set the salary and
7 duties of the executive officer."

8 SECTION 35. Section 206M-2.5, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§206M-2.5 Meetings of the board.** (a) The meetings of
11 the board shall be open to the public as provided in section 92-
12 3, except that when it is necessary for the board to receive
13 information that is proprietary to a particular enterprise that
14 seeks entry into or use of one of its facilities or the
15 disclosure of which might be harmful to the business interests
16 of the enterprise, the board may enter into an executive meeting
17 that is closed to the public.

18 (b) The board shall be subject to the procedural
19 requirements of section 92-4, and this authorization shall be an
20 addition to the exceptions listed in section 92-5, to enable the
21 development corporation to respect the proprietary requirements
22 of enterprises with which it has business dealings.



1 ~~[(c) The board shall be exempt from section 26-35(a)(4)~~
2 ~~and (5).]~~"

3 SECTION 36. Section 206M-3, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§206M-3 Powers, generally.** ~~[(a)]~~ The development
6 corporation shall have all the powers necessary to carry out its
7 purposes, including the powers to:

- 8 (1) Sue and be sued;
- 9 (2) Have a seal and alter the same at its pleasure;
- 10 (3) Make and 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, including, with the
14 approval of the governor, a project agreement, or an
15 amendment or supplement to an existing project
16 agreement, with a qualified person, and to enter into
17 and carry out any agreement whereby the obligations of
18 a qualified person under a project agreement shall be
19 unconditionally guaranteed or insured by, or the
20 performance thereof assigned to, or guaranteed or
21 insured by, a person or persons other than the
22 qualified person; and extend or renew any project

1 agreement or any other agreement related thereto;
2 provided that any such renewal or extension shall be
3 subject to the approval of the governor unless made in
4 accordance with provisions for the extension or
5 renewal contained in a project agreement or related
6 agreement theretofore approved by the governor;

7 (4) Make and alter bylaws for its organization and
8 internal management;

9 (5) Adopt rules under chapter 91 necessary to effectuate
10 this chapter in connection with industrial parks,
11 projects, multi-project programs, and the operations,
12 properties, and facilities of the development
13 corporation;

14 (6) Through its chief executive officer, appoint officers,
15 agents, and employees, prescribe their duties and
16 qualifications, and fix their salaries[, ~~without~~
17 ~~regard to chapter 76~~];

18 (7) Prepare or cause to be prepared development plans for
19 industrial parks;

20 (8) 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
2 easements;
- 3 (9) Acquire, construct, improve, install, equip, or
4 develop or provide for the acquisition, construction,
5 improvement, installation, equipping, or development
6 of any project and designate a qualified person as its
7 agent for such purpose;
- 8 (10) Own, hold, assign, transfer, convey, exchange, lease,
9 sublease, or encumber any project;
- 10 (11) Arrange or initiate appropriate action for the
11 planning, replanning, opening, grading, or closing of
12 streets, roads, roadways, alleys, easements, or other
13 places, the furnishing of improvements, the
14 acquisition of property or property rights, or the
15 furnishing of property or services in connection with
16 an industrial park or project;
- 17 (12) Prepare, or cause to be prepared, plans,
18 specifications, designs, and estimates of cost for the
19 acquisition, construction, reconstruction,
20 improvement, installation, equipping, development, or
21 maintenance of any project or industrial park, and



- 1 from time to time modify the plans, specifications,
2 designs, or estimates;
- 3 (13) Engage the services of consultants on a contractual
4 basis for rendering professional and technical
5 assistance and advice;
- 6 (14) Procure insurance against any loss in connection with
7 its property and other assets and operations in
8 amounts and from insurers as it deems desirable;
- 9 (15) Accept and expend gifts or grants in any form from any
10 public agency or from any other source;
- 11 (16) Issue special purpose revenue bonds and refunding
12 special purpose revenue bonds pursuant to and in
13 accordance with this chapter in principal amounts as
14 may be authorized from time to time by law to finance
15 or refinance the cost of a project, singly or as part
16 of a multi-project program, or an industrial park as
17 authorized by law and provide for the security thereof
18 as permitted by this chapter;
- 19 (17) Lend or otherwise apply the proceeds of the bonds
20 issued for a project or an industrial park either
21 directly or through a trustee to a qualified person
22 for use and application by the qualified person in the



1 acquisition, construction, improvement, installation,
2 equipping, or development of a project or industrial
3 park, or agree with the qualified person whereby any
4 of these activities shall be undertaken or supervised
5 by that qualified person or by a person designated by
6 the qualified person;

7 (18) As security for the payment of the principal of,
8 premium, if any, and interest of the special purpose
9 revenue bonds issued for a project to:

10 (A) Pledge, assign, hypothecate, or otherwise
11 encumber all or any part of the revenues and
12 receipts derived or to be derived by the
13 development corporation under the project
14 agreement for the project for which the bonds are
15 issued;

16 (B) Pledge and assign the interest and rights of the
17 development corporation under the project
18 agreement or other agreement with respect to the
19 project or the special purpose revenue bonds;

20 (C) Pledge and assign any bond, debenture, note, or
21 other evidence of indebtedness received by the



- 1 development corporation with respect to the
2 project; or
- 3 (D) Any combination of the foregoing;
- 4 (19) With or without terminating a project agreement,
5 exercise any and all rights provided by law for entry
6 and reentry upon or take possession of a project at
7 any time or from time to time upon breach or default
8 by a qualified person under a project agreement,
9 including any action at law or in equity for the
10 purpose of effecting its rights of entry or reentry or
11 obtaining possession of the project or for the
12 payments of rentals, user taxes, or charges, or any
13 other sum due and payable by the qualified person to
14 the development corporation pursuant to the project
15 agreement;
- 16 (20) Enter into arrangements with qualified county
17 development entities whereby the board would provide
18 financial support to qualified projects proposed;
- 19 (21) Create an environment in which to support high
20 technology economic development, including but not
21 limited to:



- 1 (A) Supporting all aspects of technology-based
- 2 economic development;
- 3 (B) Developing instructive programs, identifying
- 4 issues and impediments to the growth of high
- 5 technology industry in Hawaii; and
- 6 (C) Providing policy analysis and information
- 7 important to the development of high technology
- 8 industries in Hawaii;
- 9 (22) Develop programs that support start-up and existing
- 10 high technology companies in Hawaii and attract new
- 11 companies to relocate to or establish operations in
- 12 Hawaii by assessing the needs of these companies and
- 13 providing the physical and technical infrastructure to
- 14 support their operations;
- 15 (23) Coordinate its efforts with other public and private
- 16 agencies involved in stimulating technology-based
- 17 economic development in Hawaii, including but not
- 18 limited to:
- 19 (A) The department of business, economic development,
- 20 and tourism;
- 21 (B) The Pacific international center for high
- 22 technology research; and



- 1 (C) The office of technology transfer and economic
2 development of the University of Hawaii;
- 3 (24) Promote and market Hawaii as a site for commercial
4 high technology activity, including the expenditure of
5 funds for protocol purposes at the discretion of the
6 board;
- 7 (25) Provide advice on policy and planning for technology-
8 based economic development;
- 9 (26) Finance, conduct, or cooperate in financing or
10 conducting technological, business, financial, or
11 other investigations that are related to or likely to
12 lead to business, technology, and economic development
13 by making and entering into contracts and other
14 appropriate arrangements, including the provision of
15 loans, start-up and expansion capital, loan guaranty,
16 loans convertible to equity, equity charged and
17 received by the corporation, and other forms of
18 assistance;
- 19 (27) Solicit, study, and assist in the preparation of
20 business plans and proposals of new or established
21 businesses;



- 1 (28) Provide advice, technical and marketing assistance,
2 support, and promotion to enterprises in which
3 investments have been made;
- 4 (29) Acquire, hold, and sell qualified securities;
- 5 (30) Consent, subject to the provisions of any contract
6 with noteholders or bondholders, whenever the
7 corporation deems it necessary or desirable in the
8 fulfillment of the purposes of this chapter, to the
9 modification, with respect to rate of interest, time
10 of payment of any installment of principal or
11 interest, or any other terms, of any contract or
12 agreement of any kind to which the corporation is a
13 party;
- 14 (31) Invest any funds held in reserves or sinking funds, or
15 any funds not required for immediate disbursement, in
16 such investments as may be lawful for fiduciaries in
17 the State; and
- 18 (32) Do any and all things necessary or convenient to carry
19 out its purposes and exercise the powers given and
20 granted in this chapter.

21 ~~[(b) The corporation shall be exempt from chapter 102.]~~"



1 SECTION 37. Section 206M-5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§206M-5 Development rules.** Whenever the proceeds of
4 special purpose revenue bonds are used to finance the cost of an
5 industrial park, the board shall adopt rules under chapter 91 to
6 be followed during the course of the development of any
7 industrial park, which are to be known as development rules in
8 connection with health, safety, building, planning, zoning, and
9 land use. [~~The rules, upon final adoption of a development plan
10 for an industrial park, shall supersede all other inconsistent
11 ordinances and rules relating to the use, zoning, planning, and
12 development of land and construction thereon within the
13 industrial park.~~] Rules adopted under this section shall follow
14 existing law, rules, ordinances, and regulations as closely as
15 is consistent with standards meeting minimum requirements of
16 good design, pleasant amenities, health, safety, and coordinated
17 development. The corporation shall establish policies and
18 procedures for monitoring and ensuring that the operation of the
19 industrial park complies with these development rules and may
20 establish fines and penalties or take any other means available
21 under the law to eliminate any noncomplying action."



1 SECTION 38. Section 206M-20, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~[§]206M-20[§]~~ **Construction of this chapter.** The powers
4 conferred by this chapter shall be in addition and supplemental
5 to other powers conferred by any other law. This chapter shall
6 constitute and be enabling legislation for the development
7 corporation, as an agency and instrumentality of the State, to
8 issue special purpose revenue bonds in accordance with the
9 provisions of the Constitution of the State of Hawaii and this
10 chapter. [~~Insofar as the provisions of this chapter are
11 inconsistent with the provisions of any other law, this chapter
12 shall be controlling.]~~"

13 SECTION 39. Section 206M-16, Hawaii Revised Statutes, is
14 repealed.

15 "~~§206M-16 Exemption of development corporation from
16 taxation and competitive bidding.~~ (a) ~~All revenues and receipts
17 derived by the development corporation from any project or
18 industrial park or under a project agreement or other agreement
19 pertaining thereto shall be exempt from all state and county
20 taxation. Any right, title, and interest of the development
21 corporation in any project or industrial park shall also be
22 exempt from all state and county taxation. Except as otherwise~~



1 ~~provided by law, the interest of a qualified person or other~~
2 ~~user of a project or industrial park under a project agreement~~
3 ~~or other agreements related to a project or industrial park~~
4 ~~shall not be exempt from taxation to a greater extent than it~~
5 ~~would be if the costs of the project or industrial park were~~
6 ~~directly financed by the qualified person or user.~~

7 ~~(b) The development corporation shall not be subject to~~
8 ~~any requirement of law for competitive bidding for project~~
9 ~~agreements, construction contracts, lease and sublease~~
10 ~~agreements, or other contracts unless a project agreement with~~
11 ~~respect to a project or industrial park shall so require."]~~

12 SECTION 40. Section 206M-54, Hawaii Revised Statutes, is
13 repealed.

14 ~~["§206M-54 Innovation corporation; exempted from certain~~
15 ~~state laws. The high technology innovation corporation shall be~~
16 ~~exempt from the following state laws:~~

- 17 ~~(1) Section 78-1, relating to public employment;~~
- 18 ~~(2) Chapter 36, relating to the management of state funds;~~
- 19 ~~(3) Chapter 38, relating to deposits of public funds; and~~
- 20 ~~(4) Chapter 76, relating to civil service."]~~

21 PART IX
22 HAWAII STRATEGIC DEVELOPMENT CORPORATION



1 SECTION 41. Section 211F-3, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) The board shall appoint a president of the
4 corporation who shall serve at the pleasure of the board [~~and~~
5 ~~shall be exempt from chapter 76~~]. The board shall set the
6 salary and duties of the president."

7 SECTION 42. Section 211F-4, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) The corporation shall have all of the powers
10 necessary to carry out its purposes which shall include but not
11 be limited to the power to:

- 12 (1) Adopt rules pursuant to chapter 91 to carry out the
13 purposes of this chapter;
- 14 (2) Adopt an official seal;
- 15 (3) Sue and be sued, in its own name;
- 16 (4) Finance, conduct, or cooperate in financing or
17 conducting technological, business, financial, or
18 other investigations that are related to or likely to
19 lead to business and economic development by making
20 and entering into contracts and other appropriate
21 arrangements, including the provision of loans, start-



- 1 up and expansion capital, and other forms of
2 assistance;
- 3 (5) Solicit, study, and assist in the preparation of
4 business plans and proposals;
- 5 (6) Provide advice and technical and marketing assistance,
6 support, and promotion to enterprises in which
7 investments have been made;
- 8 (7) Coordinate the corporation's programs with any
9 education and training program;
- 10 (8) Carry out specialized programs designed to encourage
11 the development of new products, businesses, and
12 markets;
- 13 (9) Prepare, publish, and distribute such technical
14 studies, reports, bulletins, and other materials as it
15 deems appropriate, subject only to the maintenance and
16 respect for confidentiality of client proprietary
17 information;
- 18 (10) Organize, conduct, sponsor, or cooperate in and assist
19 in the conduct of conferences, demonstrations, and
20 studies relating to the stimulation and formation of
21 businesses and to fulfilling the objectives and
22 purposes of chapter 211G;



- 1 (11) Provide and pay for such advisory services and
2 technical, managerial, and marketing assistance,
3 support, and promotion as may be necessary or
4 desirable to carry out the purposes of this chapter;
- 5 (12) Acquire, hold, and sell qualified securities;
- 6 (13) Consent, subject to the provisions of any contract
7 with noteholders or bondholders, whenever the
8 corporation deems it necessary or desirable in the
9 fulfillment of the purposes of this chapter, to the
10 modification, with respect to rate of interest, time
11 of payment of any installment of principal or
12 interest, or any other terms, of any contract or
13 agreement of any kind to which the corporation is a
14 party;
- 15 (14) Accept donations, grants, bequests, and devises of
16 money, property, service, or other things of value
17 that may be received from the United States or any
18 agency thereof, any governmental agency, or any public
19 or private institution, person, firm, or corporation,
20 to be held, used, or applied for any or all of the
21 purposes specified in this chapter. Receipt of each
22 donation or grant shall be detailed in the annual



- 1 report of the corporation. The report shall include
2 the identity of the donor or lender, the nature of the
3 transaction, and any conditions attaching thereto;
- 4 (15) Invest any funds held in reserves or sinking funds, or
5 any funds not required for immediate disbursement, in
6 such investments as may be lawful for fiduciaries in
7 the State;
- 8 (16) Acquire real property, or an interest therein, by
9 purchase or foreclosure, where that acquisition is
10 necessary or appropriate to protect or secure any
11 investment or loan in which the corporation has an
12 interest; sell, transfer, and convey the property to a
13 buyer and if the sale, transfer, or conveyance cannot
14 be effected with reasonable promptness or at a
15 reasonable price, to lease the property to a tenant;
- 16 (17) Acquire, own, hold, dispose of, and encumber personal
17 property of any nature, or any interest therein;
- 18 (18) Enter into agreements or other transactions with any
19 federal, state, or county agency;
- 20 (19) Make contracts and execute all instruments necessary
21 or convenient for the carrying on of its business;



- 1 (20) Appear in its own behalf before state, county, or
- 2 federal agencies;
- 3 (21) Procure insurance as may be necessary;
- 4 (22) Appoint officers, employees, consultants, agents, and
- 5 advisors [~~who shall not be subject to chapter 76,~~] and
- 6 prescribe their duties and fix compensation within the
- 7 limitations provided by law;
- 8 (23) Appoint advisory committees as deemed necessary; and
- 9 (24) Exercise any other powers of a corporation organized
- 10 under the laws of the State."

11 SECTION 43. Section 211F-7, Hawaii Revised Statutes, is

12 amended by amending subsection (e) to read as follows:

13 "(e) Investments by the corporation to persons shall be

14 made on the basis of solicitation and a competitive technical

15 review process, subject to the availability of funds allocated

16 to the corporation for making investments. Investments by the

17 corporation shall [~~not~~] be subject to chapter 42F. Any

18 organization applying for an investment shall meet the following

19 standards:

- 20 (1) Have bylaws or policies that describe the manner in
- 21 which business is conducted and policies relating to



- 1 nepotism and management of potential conflict of
- 2 interest situations;
- 3 (2) Be licensed and accredited, as applicable, in
- 4 accordance with the requirements of federal, state,
- 5 and county governments;
- 6 (3) Comply with applicable federal and state laws
- 7 prohibiting discrimination against any person on the
- 8 basis of race, color, national origin, religion,
- 9 creed, sex, age, or physical handicap; and
- 10 (4) Comply with other requirements as the board may
- 11 prescribe."

PART X

NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

14 SECTION 44. Section 227D-1.5, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "[~~§~~]**227D-1.5 Authority as public utility.**[~~§~~] (a) The
 17 authority shall be [~~exempt from~~] subject to the definition of
 18 "public utility" under section 269-1 and shall be [~~exempt from~~]
 19 subject to regulation by the public utilities commission for the
 20 sale or provision of electricity generated by the authority
 21 using renewable energy as its source in facilities located at
 22 the authority's research and technology park[~~; provided that all~~]



1 ~~sales or provisions of electricity are made directly to a user~~
2 ~~located adjacent to the authority's research and technology park~~
3 ~~on lands leased by the user from the State; and provided further~~
4 ~~that connection to the electrical grid shall not be required to~~
5 ~~provide any electricity to any user].~~

6 (b) ~~[If the sale or provision of any electricity generated~~
7 ~~by the authority requires connection to the electrical grid to~~
8 ~~transmit electricity to any user, then the authority shall be~~
9 ~~deemed to be a public utility as defined in section 269-1 and~~
10 ~~shall be subject to regulation by the public utilities~~
11 ~~commission.]~~ If the sale or provision of any electricity
12 generated by the authority requires connection to the electrical
13 grid, the authority shall be subject to any interconnection
14 agreement or other agreement required by an electric utility or
15 by the public utilities commission.

16 As used in this section, "renewable energy" shall have the
17 same meaning as in section 269-91."

18 SECTION 45. Section 227D-7, Hawaii Revised Statutes, is
19 repealed.

20 ~~["§227D-7 Exemption of authority from taxation and~~
21 ~~competitive bidding.~~ (a) ~~All revenues and receipts derived by~~
22 ~~the authority from any project or research and technology park~~



1 ~~or under a project agreement or other agreement pertaining~~
2 ~~thereto shall be exempt from all state taxation. Any right,~~
3 ~~title, and interest of the authority in any project or research~~
4 ~~and technology park shall also be exempt from all state~~
5 ~~taxation. Except as otherwise provided by law, the interest of~~
6 ~~a qualified person or other user of a project or research and~~
7 ~~technology park under a project agreement or other agreements~~
8 ~~related to a project or research and technology park shall not~~
9 ~~be exempt from taxation to a greater extent than it would be if~~
10 ~~the costs of the project or research and technology park were~~
11 ~~directly financed by the qualified person or user.~~

12 ~~(b) The authority shall not be subject to the requirements~~
13 ~~of chapter 103 for project agreements, construction contracts,~~
14 ~~retail concession or tour-related contracts, or other contracts~~
15 ~~unless a project agreement with respect to a project or research~~
16 ~~and technology park shall require otherwise."]~~

17 **PART XI**

18 **RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII**

19 SECTION 46. Section 304A-3005, Hawaii Revised Statutes, is
20 repealed.

21 ~~["**[§304A-3005] Research corporation excepted from certain**~~
22 ~~**state laws.** To carry out the purposes and objectives of the~~



1 ~~research corporation, including the conduct of research and~~
2 ~~training projects, the research corporation shall be granted~~
3 ~~flexibility in hiring its personnel and in handling and~~
4 ~~disbursing moneys by being excepted from the following state~~
5 ~~laws:~~

6 ~~(1) Sections 36-27 and 36-30, relating to special fund~~
7 ~~reimbursements to the state general fund;~~

8 ~~(2) Chapter 103D, relating to advertising for bids and~~
9 ~~purchases to be made in Hawaii whenever public moneys~~
10 ~~are expended;~~

11 ~~(3) Chapter 76, relating to civil service; and~~

12 ~~(4) Section 78-1, relating to public employment."]~~

13 **PART XII**

14 **HAWAII PUBLIC HOUSING AUTHORITY**

15 SECTION 47. Section 356D-2, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:

17 "(b) The authority shall employ [~~exempt from chapter 76~~
18 ~~and section 26-35(a)(4),~~] an executive director and an executive
19 assistant. The executive director shall be paid a salary not to
20 exceed eighty-five per cent of the salary of the director of
21 human resources development. The executive assistant shall be
22 paid a salary not to exceed ninety per cent of the executive



1 director's salary. The authority may employ, subject to chapter
2 76, technical experts and officers, agents, and employees,
3 permanent or temporary, as required. The authority may also
4 employ officers, agents, and employees; prescribe their duties
5 and qualifications; and fix their salaries [~~not subject to~~
6 ~~chapter 76,~~] when in the determination of the authority, the
7 services to be performed are unique and essential to the
8 execution of the functions of the authority [~~provided that if~~
9 ~~the authority hires an officer, agent, or employee in a capacity~~
10 ~~not subject to chapter 76, the authority shall include in an~~
11 ~~annual report to the legislature, to be submitted not later than~~
12 ~~twenty days prior to the convening of each regular session, the~~
13 ~~position descriptions and reasons for hiring the personnel in a~~
14 ~~civil service exempt capacity]. The authority may call upon the
15 attorney general for legal services as it may require. The
16 authority may delegate to one or more of its agents or employees
17 the powers and duties it deems proper."~~

18 SECTION 48. Section 356D-9, Hawaii Revised Statutes, is
19 amended by amending subsection (b) to read as follows:

20 "(b) For the purpose of aiding and cooperating in the
21 planning, construction, and operation of public housing projects
22 located within their respective territorial boundaries, the



1 state or county government, upon those terms, with or without
2 consideration, as it determines, may:

3 (1) Dedicate, grant, sell, convey, or lease any of its
4 property, or grant easements, licenses, or any other
5 rights or privileges therein to the authority or to
6 the federal government;

7 (2) To the extent that it is within the scope of each of
8 their respective functions:

9 (A) Cause the services customarily provided by each
10 of them to be rendered for the benefit of public
11 housing projects and the occupants thereof;

12 (B) Provide and maintain parks; and sewage, water,
13 lights, and other facilities adjacent to or in
14 connection with public housing projects;

15 (C) Open, close, pave, install, or change the grade
16 of streets, roads, roadways, alleys, sidewalks,
17 or other related facilities; and

18 (D) Change the map of a political subdivision or
19 plan, replan, zone, or rezone any part of a
20 political subdivision;

21 (3) Enter into agreements with the authority with respect
22 to the exercise of the State or county's powers



- 1 relating to the repair, closing, or demolition of
2 unsafe, unsanitary, or unfit dwellings;
- 3 (4) Employ, notwithstanding any other law as to what
4 constitutes legal investments, any available funds
5 belonging to them or within their control, including
6 funds derived from the sale or furnishing of property
7 or facilities to the authority, in the purchase of the
8 bonds or other obligations of the authority, and
9 exercise all the rights of any holder of the bonds or
10 other obligations;
- 11 (5) Do any and all things necessary or convenient to aid
12 and cooperate in the planning, undertaking, and
13 construction of public housing projects; and
- 14 (6) Enter into contracts with the authority or the federal
15 government for any period agreeing to exercise any of
16 the powers conferred by this subsection or to take any
17 other action in aid of public housing projects.

18 In connection with the exercise of the powers conferred by
19 this subsection, any political subdivision may incur the entire
20 expense of any public improvements located within its
21 territorial boundaries without assessment against abutting
22 property owners.



1 For the purpose of aiding and cooperating in the planning,
2 construction, and operation of public housing projects, the
3 department of land and natural resources, the Hawaiian homes
4 commission, and any other agency of the State having power to
5 manage or dispose of its public lands, with the approval of the
6 governor and with or without consideration, may grant, sell,
7 convey, or lease for any period, any parts of such public lands,
8 without limit as to area, to the authority or to the federal
9 government.

10 Any law to the contrary notwithstanding, any gift, grant,
11 sale, conveyance, lease, or agreement provided for in this
12 section may be made by the state or county government without
13 appraisal, public notice, advertisement, or public bidding.

14 If at any time title to, or possession of, any public
15 housing project is held by any government authorized by law to
16 engage in the development or administration of low-income
17 housing or slum clearance projects, any agreement made under
18 this section relating to the project shall inure to the benefit
19 of and may be enforced by that government.

20 ~~[Insofar as this subsection is inconsistent with the~~
21 ~~provisions of any other law, this subsection shall control.]"~~



1 SECTION 49. Section 356D-27, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) The director of finance shall approve those rates so
4 as to produce up to, but not in excess of, the maximum yield to
5 the State or the authority permitted under the Internal Revenue
6 Code of 1986, as amended, and the regulations of the Internal
7 Revenue Service adopted pursuant thereto, on the assumption that
8 the general obligation bonds of the State, the proceeds of which
9 have been or are to be used for the purposes of making loans or
10 purchasing mortgages under this chapter, would otherwise be
11 "arbitrage bonds" under the Internal Revenue Code of 1986, as
12 amended, and the regulations of the Internal Revenue Service
13 adopted pursuant thereto, were the maximum yield to be exceeded.
14 ~~[The establishment of the rates of interest shall be exempt from~~
15 ~~chapter 91.]"~~

16 **PART XIII**

17 SECTION 50. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 51. This Act shall take effect upon its approval;
20 provided that the amendments made to sections 40-6 and 201B-2,
21 Hawaii Revised Statutes, shall not be repealed when those



1 sections are reenacted on June 30, 2015, by Act 102, Session
2 Laws of Hawaii 2010.

3

INTRODUCED BY:

Melanie Pina
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4. Kai Gish
Mantel



S.B. NO. 449

Report Title:

Exemptions; DHHL; PLDC; ADC; HTA; HHFDC; HCDA; ATDC; HTDC; HSDC;
NELHA; DHHL; HPHA; RCUH

Description:

Repeals exemptions of certain state entities.

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

