
A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

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

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PART I

SECTION 1. Section 206M-15, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (b) to read:

"(b) The development corporation may provide grants to any business in Hawaii that:

(1) Receives [a] federal small business innovation research phase I [~~award or contract~~], II, or III awards or contracts from any participating federal agency, up to fifty per cent of the amount of the federal award or contract;

(2) Receives a federal small business technology transfer program award or contract from any participating federal agency, up to fifty per cent of the amount of the federal award or contract; or

(3) Applies for a small business innovation research federal grant or a small business technology transfer



1 program federal grant, in an amount not to exceed
2 \$3,000,
3 subject to the availability of funds."

4 2. By amending subsection (d) to read:

5 "(d) If funds appropriated for the purpose of making
6 grants under this section are inadequate to satisfy all
7 qualified requests, the development corporation shall apply for
8 funds to be transferred from the Hawaii capital loan revolving
9 fund to provide the grants in accordance with subsection (b).

10 The amount of any single transfer of funds shall not exceed
11 [~~\$100,000,~~] \$ _____, and the development corporation shall
12 transfer the entire amount back to the Hawaii capital loan
13 revolving fund within twelve months of receiving the funds. No
14 more than one fund transfer shall be outstanding at any one
15 time. The director of business, economic development, and
16 tourism may transfer funds from the Hawaii capital loan
17 revolving fund to the development corporation upon request to
18 carry out the purposes of this section. Transfers of funds
19 shall be made without any charges or fees."

20 **PART II**

21 SECTION 2. The purpose of this part is to:



- 1 (1) Reestablish the high technology innovation
- 2 corporation; and
- 3 (2) Change the name of the high technology development
- 4 corporation to the "Hawaii technology development
- 5 corporation".

6 SECTION 3. Chapter 206M, Hawaii Revised Statutes, is
 7 amended by adding a new part to be appropriately designated and
 8 to read as follows:

9 **"PART . HIGH TECHNOLOGY INNOVATION CORPORATION**

10 **§206M-A Definitions.** As used in this part, unless the
 11 context otherwise requires:

12 "Board" means the board of directors of the innovation
 13 corporation established pursuant to section 206M-C.

14 "Development corporation" means the Hawaii technology
 15 development corporation established pursuant to section 206M-2.

16 "Innovation corporation" means the high technology
 17 innovation corporation established pursuant to section 206M-B.

18 **§206M-B Establishment of the high technology innovation**

19 **corporation; purpose.** (a) There is established, as a body
 20 corporate, the high technology innovation corporation. The
 21 innovation corporation shall be a public, not-for-profit
 22 organization under section 501(c)(3) of the Internal Revenue

1 Code. The innovation corporation shall be attached to the
2 department of business, economic development, and tourism for
3 administrative purposes.

4 (b) The purpose of the innovation corporation shall
5 include but not be limited to the facilitation of the growth and
6 development of the commercial high technology industry in
7 Hawaii. Its duties shall include but not be limited to:

- 8 (1) Managing the assets and resources of the development
9 corporation, including its technology parks and
10 incubation facilities;
- 11 (2) Planning, creating, and implementing any programs and
12 projects of the development corporation that shall be
13 assigned to the innovation corporation, including
14 federally- and state-funded programs and projects and
15 those programs funded by other nonprofit and for-
16 profit organizations;
- 17 (3) Identifying and obtaining funding and other resources
18 in support of the purposes of the innovation
19 corporation and the development corporation from
20 agencies and organizations not able to provide
21 resources directly to the development corporation;



1 (4) Assisting the development corporation in the promotion
2 and marketing of Hawaii as a location for commercial
3 high technology activity; and

4 (5) Assisting the development corporation in any other
5 strategic or operational manner that supports the
6 State's technology-based economic development
7 activities.

8 (c) The innovation corporation shall implement this
9 purpose by:

10 (1) Furnishing the means, methods, and agencies by which
11 the management, programming, training, investigation,
12 research, and analysis may be conducted;

13 (2) Other means to make the benefits of programming,
14 training, investigation, research, and analysis
15 available to the public; and

16 (3) Any and all other acts reasonably designed to promote
17 the foregoing purposes in the interest of promoting
18 the general welfare of the people of the State.

19 The innovation corporation shall have the sole right to provide
20 the foregoing services and support to the development
21 corporation, and the development corporation shall use the
22 innovation corporation to provide these services and support in



1 every case, except when the development corporation determines
2 that the innovation corporation may not or cannot legally or
3 operationally provide these services and support.

4 **§206M-C Board of directors; composition.** (a) The affairs
5 of the innovation corporation shall be under the general
6 management and control of a board of directors consisting of
7 nine voting members. The members of the board shall be as
8 follows:

- 9 (1) The executive director and chief executive officer of
10 the development corporation;
- 11 (2) The division head of the creative industries division
12 of the department of business, economic development,
13 and tourism;
- 14 (3) The president of the Hawaii strategic development
15 corporation;
- 16 (4) The executive director of the natural energy
17 laboratory of Hawaii authority;
- 18 (5) The executive director of the agribusiness development
19 corporation;
- 20 (6) The executive director of the Hawaii housing finance
21 development corporation;



1 (7) The energy administrator of the Hawaii state energy
2 office;

3 (8) One private business sector member to be appointed by
4 the speaker of the house of representatives; and

5 (9) One private business sector member to be appointed by
6 the president of the senate.

7 (b) All members of the board shall serve without pay but
8 shall be entitled to reimbursement for necessary expenses,
9 including travel expenses, while attending meetings and while in
10 the discharge of duties and responsibilities.

11 (c) The executive director and chief executive officer of
12 the Hawaii technology development corporation shall serve as the
13 chairperson of the board.

14 **§206M-D Powers of the board.** The innovation corporation,
15 under the direction of its board, shall have the following
16 general powers:

17 (1) To adopt, amend, and repeal bylaws governing the
18 conduct of its business and the exercise of the powers
19 and performance of duties granted to or imposed upon
20 it by law;

21 (2) To sell, lease, rent, hold, maintain, use, and operate
22 any property, real, personal, or mixed, tangible or



1 intangible, in accordance with the conditions under
2 which it was received;

3 (3) To enter into and perform contracts, leases,
4 cooperative agreements, or other transactions with the
5 development corporation or any other agency or
6 political subdivision of the State, any private
7 person, firm, partnership, association, company, or
8 corporation, only as it may be necessary in the
9 conduct of its business and on terms as it may deem
10 appropriate; provided that the innovation corporation
11 shall not obligate any funds of the State except funds
12 that have been appropriated to it by the legislature
13 or transferred or contracted to it by the development
14 corporation or other agency or department of the state
15 government. Notwithstanding the foregoing, the
16 innovation corporation may enter into and perform
17 contracts, leases, cooperative agreements, or other
18 transactions with any agency or instrumentality of the
19 United States, a foreign nation, a state, a territory
20 or a possession, or with any political subdivision
21 thereof, whenever the donating or granting agency or
22 instrumentality determines that the development



1 corporation or any other agency of the State cannot as
2 effectively and efficiently accomplish the purposes
3 for which the contracts, leases, cooperative
4 agreements, or other transactions are being entered
5 into; provided that the innovation corporation shall
6 not obligate any funds of the State except funds that
7 have been appropriated or transferred to it or
8 contracted for it;

9 (4) To receive by gifts, grants, devises, bequests, or
10 otherwise, from private sources only, any property,
11 real, personal, or mixed, intangible or tangible,
12 absolutely or in trust, to be used and disposed of,
13 either the principal or the income therefrom, in
14 accordance with the conditions under which it was
15 received; provided that no gift to the innovation
16 corporation shall be accepted unless approved or
17 confirmed by its board. Notwithstanding the
18 foregoing, the innovation corporation may receive
19 gifts, grants, or awards from any agency or
20 instrumentality of the United States, a foreign
21 nation, a state, a territory or a possession, or from
22 any political subdivision thereof, whenever the



1 donating or granting agency or instrumentality
2 determines that the development corporation or any
3 other agency of the State cannot as effectively and
4 efficiently accomplish the purposes for which the
5 gifts, grants, or awards are being made; provided that
6 no gift to the innovation corporation shall be
7 accepted unless approved or confirmed by its board;

8 (5) To have a corporate seal;

9 (6) To sue and be sued in its own name;

10 (7) To serve as trustee or beneficiary under terms of any
11 gift, indenture, or will;

12 (8) To apply for, take out, receive by purchase or gift,
13 hold, administer, and dispose of copyrights, patent
14 rights, licenses, assignments of inventions,
15 discoveries, processes, and other property, rights or
16 interests therein, and the income thereof, absolutely
17 or subject to conditions or trusts as may be attached
18 thereto or be imposed thereon, and to obligate itself
19 to perform and execute any and all conditions or
20 trusts;

21 (9) To conduct programs, projects, research, studies,
22 experiments, investigations, and tests in all fields



1 of knowledge; to promote and develop the scientific
2 and commercial value of inventions, discoveries, and
3 processes; and to make, publish, and distribute the
4 results thereof;

5 (10) To coordinate and correlate activities and projects of
6 the innovation corporation with the work of state
7 agencies for the purpose of relating research work to
8 the economic development of the State whenever
9 practical or desirable;

10 (11) To stimulate and promote cooperative research projects
11 and activities;

12 (12) To establish and maintain, or to assist in
13 establishing and maintaining staff positions for the
14 purpose of aiding in technology-based economic
15 development, and to enter into agreements or contracts
16 with other corporations, organizations, institutions,
17 or persons for this purpose and to pay the necessary
18 and appropriate expenses therefor;

19 (13) To prepare, print, or publish any manuscript, research
20 article, report, study, discussion, reference,
21 collection, or any pictorial or schematic
22 representation or group or collection thereof, whether



1 the same belongs to or is the work of any state agency
 2 or its employees, or the innovation corporation or its
 3 employees or a contractor of the innovation
 4 corporation. The printing or publication may be
 5 accomplished through whatever person, company, or
 6 agency is deemed most appropriate by the board; and
 7 (14) To do any or all other acts reasonably necessary to
 8 carry out the objects and purposes of the innovation
 9 corporation.

10 **§206M-E Innovation corporation; exempted from certain**
 11 **state laws.** The innovation corporation shall be exempt from the
 12 following state laws:

- 13 (1) Section 78-1, relating to public employment;
- 14 (2) Chapter 36, relating to the management of state funds;
- 15 (3) Chapter 38, relating to deposits of public funds; and
- 16 (4) Chapter 76, relating to civil service.

17 **§206M-F Officers and employees of the innovation**
 18 **corporation.** The board shall select the president of the
 19 innovation corporation and may also appoint other officers and
 20 employees as may be necessary in administering the affairs of
 21 the innovation corporation. The board shall set the employees'
 22 duties, responsibilities, salaries, holidays, vacations, leaves,



1 hours of work, and working conditions and may grant other
2 benefits as it deems necessary. New employees of the innovation
3 corporation shall not be entitled to any benefits conferred
4 under chapter 76, 78, 88, or 89, or any public employee
5 collective bargaining agreement, executive order, executive
6 directive, or rule; provided that any existing officer or
7 employee of the State whose functions are transferred by this
8 part shall not suffer any loss of salary, seniority, prior
9 service credit, vacation, sick leave, or other employee benefit
10 or privilege as a consequence of this part.

11 **§206M-G Annual report.** The innovation corporation shall
12 submit an annual report, not later than twenty days prior to the
13 convening of each regular session, to the governor, president of
14 the senate, and speaker of the house of representatives. The
15 report shall include but not be limited to the innovation
16 corporation's audited financial statement, total amount of
17 payroll and other disbursements made, and progress and
18 accomplishments made during the year.

19 **§206M-H Dissolution.** If the innovation corporation is
20 dissolved, all of its property, real, personal, and mixed and
21 wheresoever situated, shall vest immediately and absolutely in
22 the development corporation, and none of its property shall



1 inure to the benefit of any officer, director, or member of the
2 innovation corporation.

3 **§206M-I Patents, copyrights, and other rights.** Any
4 patents, copyrights, inventions, discoveries, or other rights
5 arising from innovation corporation activities shall belong to
6 the innovation corporation and be subject to policies or rules
7 as the board may adopt.

8 **§206M-J Contracts with state agencies.** Any contract
9 between the innovation corporation and any agency, office,
10 department, or other administrative subdivision of the executive
11 branch of the State shall include the following:

- 12 (1) Its termination date;
- 13 (2) Its intent and purpose;
- 14 (3) A statement establishing the full permissible extent
15 of its applicability; and
- 16 (4) A description of the circumstances under which it may
17 be amended or extended."

18 SECTION 4. Chapter 206M, Hawaii Revised Statutes, is
19 amended by amending the title to read as follows:

20 "~~[HIGH]~~ HAWAII TECHNOLOGY DEVELOPMENT ~~[CORPORATION]~~"

21 SECTION 5. Part I of chapter 206M, Hawaii Revised
22 Statutes, is amended by amending the title to read as follows:



Report Title:

High Technology Development Corporation; Small Business
Innovation Research Grants; Hawaii Capital Loan Revolving Fund;
Hawaii Technology Development Corporation

Description:

Part I: Amends section 206M-15, Hawaii Revised Statutes, to add Phase II or III Small Business Innovation Research grants to qualifying criteria. Increases the ceiling on transfers from the Hawaii Capital Loan Revolving Fund from \$100,000 to an unspecified amount. Part II: Reestablishes the high technology innovation corporation. Changes the name of the High Technology Development Corporation to Hawaii Technology Development Corporation. Effective January 20, 2050. (SD1)

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

