
A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

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

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 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 program federal grant, in an amount not to exceed \$3,000,



1 subject to the availability of funds."

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

3 "(d) If funds appropriated for the purpose of making
4 grants under this section are inadequate to satisfy all
5 qualified requests, the development corporation shall apply for
6 funds to be transferred from the Hawaii capital loan revolving
7 fund to provide the grants in accordance with subsection (b).
8 The amount of any single transfer of funds shall not exceed
9 [~~\$100,000,~~] \$ _____, and the development corporation shall
10 transfer the entire amount back to the Hawaii capital loan
11 revolving fund within twelve months of receiving the funds. No
12 more than one fund transfer shall be outstanding at any one
13 time. The director of business, economic development, and
14 tourism may transfer funds from the Hawaii capital loan
15 revolving fund to the development corporation upon request to
16 carry out the purposes of this section. Transfers of funds
17 shall be made without any charges or fees."

18 **PART II**

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

20 (1) Reestablish the high technology innovation
21 corporation; and



1 (2) Change the name of the high technology development
2 corporation to the "Hawaii technology development
3 corporation".

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

7 "PART . HIGH TECHNOLOGY INNOVATION CORPORATION

8 §206M-A Definitions. As used in this part, unless the
9 context otherwise requires:

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

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

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

16 §206M-B Establishment of the high technology innovation
17 corporation; purpose. (a) There is established, as a body
18 corporate, the high technology innovation corporation. The
19 innovation corporation shall be a public, not-for-profit
20 organization under section 501(c)(3) of the Internal Revenue
21 Code. The innovation corporation shall be attached to the



1 department of business, economic development, and tourism for
2 administrative purposes.

3 (b) The purpose of the innovation corporation shall
4 include the facilitation of the growth and development of the
5 commercial high technology industry in Hawaii. Its duties shall
6 include:

- 7 (1) Managing the assets and resources of the development
8 corporation, including its technology parks and
9 incubation facilities;
- 10 (2) Planning, creating, and implementing any programs and
11 projects of the development corporation that shall be
12 assigned to the innovation corporation, including
13 federally- and state-funded programs and projects and
14 those programs funded by other nonprofit and for-
15 profit organizations;
- 16 (3) Identifying and obtaining funding and other resources
17 in support of the purposes of the innovation
18 corporation and the development corporation from
19 agencies and organizations not able to provide
20 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 or the executive director
11 and chief executive officer's designee;
- 12 (2) The division head of the creative industries division
13 of the department of business, economic development,
14 and tourism or the division head's designee;
- 15 (3) The president of the Hawaii strategic development
16 corporation or the president's designee;
- 17 (4) The executive director of the natural energy
18 laboratory of Hawaii authority or the executive
19 director's designee;
- 20 (5) The executive director of the agribusiness development
21 corporation or the executive director's designee;



1 (6) The executive director of the Hawaii housing finance
2 development corporation or the executive director's
3 designee;

4 (7) The energy administrator of the Hawaii state energy
5 office or the energy administrator's designee;

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

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

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

14 (c) The executive director and chief executive officer of
15 the Hawaii technology development corporation shall serve as the
16 chairperson of the board.

17 **§206M-D Powers of the board.** The innovation corporation,
18 under the direction of its board, shall have the following
19 general powers:

20 (1) To adopt, amend, and repeal bylaws governing the
21 conduct of its business and the exercise of the powers



1 and performance of duties granted to or imposed upon
2 it by law;

3 (2) To sell, lease, rent, hold, maintain, use, and operate
4 any property, real, personal, or mixed, tangible or
5 intangible, in accordance with the conditions under
6 which it was received;

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

- 13 (4) To receive by gifts, grants, devises, bequests, or
14 otherwise, from private sources only, any property,
15 real, personal, or mixed, intangible or tangible,
16 absolutely or in trust, to be used and disposed of,
17 either the principal or the income therefrom, in
18 accordance with the conditions under which it was
19 received; provided that no gift to the innovation
20 corporation shall be accepted unless approved or
21 confirmed by its board. Notwithstanding the
22 foregoing, the innovation corporation may receive



1 gifts, grants, or awards from any agency or
2 instrumentality of the United States, a foreign
3 nation, a state, a territory or a possession, or from
4 any political subdivision thereof, whenever the
5 donating or granting agency or instrumentality
6 determines that the development corporation or any
7 other agency of the State cannot as effectively and
8 efficiently accomplish the purposes for which the
9 gifts, grants, or awards are being made; provided that
10 no gift to the innovation corporation shall be
11 accepted unless approved or confirmed by its board;

12 (5) To have a corporate seal;

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

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

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



- 1 to perform and execute any and all conditions or
2 trusts;
- 3 (9) To conduct programs, projects, research, studies,
4 experiments, investigations, and tests in all fields
5 of knowledge; to promote and develop the scientific
6 and commercial value of inventions, discoveries, and
7 processes; and to make, publish, and distribute the
8 results thereof;
- 9 (10) To coordinate and correlate activities and projects of
10 the innovation corporation with the work of state
11 agencies for the purpose of relating research work to
12 the economic development of the State whenever
13 practical or desirable;
- 14 (11) To stimulate and promote cooperative research projects
15 and activities;
- 16 (12) To establish and maintain, or to assist in
17 establishing and maintaining staff positions for the
18 purpose of aiding in technology-based economic
19 development, and to enter into agreements or contracts
20 with other corporations, organizations, institutions,
21 or persons for this purpose and to pay the necessary
22 and appropriate expenses therefor;



1 (13) To prepare, print, or publish any manuscript, research
2 article, report, study, discussion, reference,
3 collection, or any pictorial or schematic
4 representation or group or collection thereof, whether
5 the same belongs to or is the work of any state agency
6 or its employees, or the innovation corporation or its
7 employees or a contractor of the innovation
8 corporation. The printing or publication may be
9 accomplished through whatever person, company, or
10 agency is deemed most appropriate by the board; and

11 (14) To do any or all other acts reasonably necessary to
12 carry out the objects and purposes of the innovation
13 corporation.

14 **§206M-E Innovation corporation; exempted from certain**
15 **state laws.** The innovation corporation shall be exempt from the
16 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 **§206M-F Officers and employees of the innovation**
22 **corporation.** The board shall select the president of the



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

15 **§206M-G Annual report.** The innovation corporation shall
16 submit an annual report, not later than twenty days prior to the
17 convening of each regular session to the governor and the
18 legislature. The report shall include the innovation
19 corporation's audited financial statement, total amount of
20 payroll and other disbursements made, and progress and
21 accomplishments made during the year.



1 **§206M-H Dissolution.** If the innovation corporation is
2 dissolved, all of its property, real, personal, and mixed and
3 wheresoever situated, shall vest immediately and absolutely in
4 the development corporation, and none of its property shall
5 inure to the benefit of any officer, director, or member of the
6 innovation corporation.

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

12 **§206M-J Contracts with state agencies.** Any contract
13 between the innovation corporation and any agency, office,
14 department, or other administrative subdivision of the executive
15 branch of the State shall include the following:

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



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

3 "[HIGH] HAWAII TECHNOLOGY DEVELOPMENT [CORPORATION]"

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

6 "PART I. [HIGH] HAWAII TECHNOLOGY DEVELOPMENT CORPORATION"

7 SECTION 6. Sections 26-18(b), 171-2(11), 171-64.7(a)(8),
8 206M-1, 206M-2, 210-7(b), 211F-3(a), 227D-2(b), 304A-3101(b),
9 and 394-8(b), Hawaii Revised Statutes, are amended by
10 substituting the term "Hawaii technology development
11 corporation" for "high technology development corporation"
12 wherever the term appears.

13 **PART III**

14 SECTION 7. In codifying the new sections added by section
15 3 of this Act, the revisor of statutes shall substitute
16 appropriate section numbers for the letters used in designating
17 the new sections in this Act.

18 SECTION 8. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 9. This Act, upon its approval, shall take effect
21 on January 20, 2050.



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 1/20/2050. (SD2)

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

