
A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1 **PART I**

2 SECTION 1. Act 240, Session Laws of Hawaii 2012, is
3 amended by amending section 8 to read as follows:

4 "SECTION 8. This Act shall take effect upon its approval;
5 provided that section 6 shall take effect on June 30, [2013-]
6 2018."

7 SECTION 2. Section 206M-52, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) The affairs of the high technology innovation
10 corporation shall be under the general management and control of
11 a board of directors consisting of nine voting members. [~~Four~~
12 ~~members of the board of directors of the high technology~~
13 ~~development corporation shall be ex officio, voting members of~~
14 ~~the high technology innovation corporation's board and shall be~~
15 ~~selected by the high technology development corporation's board~~
16 ~~of directors for terms to be determined by the high technology~~
17 ~~development corporation's board. The executive director and~~
18 ~~chief executive officer of the high technology development~~



1 ~~corporation shall serve as an ex officio, nonvoting member of~~
2 ~~the high technology innovation corporation board. The remaining~~
3 ~~four members shall be appointed by the governor from lists of~~
4 ~~nominees provided by the president of the senate and the speaker~~
5 ~~of the house of representatives. The governor shall appoint two~~
6 ~~persons from the list submitted by the president of the senate~~
7 ~~and two persons from the list submitted by the speaker of the~~
8 ~~house of representatives. The lists of nominees provided by the~~
9 ~~president of the senate and the speaker of the house of~~
10 ~~representatives shall consist of members of the general public~~
11 ~~selected on the basis of their knowledge, interest, and proven~~
12 ~~expertise in, but not limited to, one or more of the following~~
13 ~~fields: finance, commerce and trade, corporate management,~~
14 ~~marketing, economics, engineering, information technology and~~
15 ~~telecommunications, life sciences, and other high technology~~
16 ~~fields. All the members appointed from the general public shall~~
17 ~~serve for a term of four years, except that half of those~~
18 ~~initially appointed from the public may have reduced terms in~~
19 ~~accordance with section 26 34, so as to provide, as nearly as~~
20 ~~can be, for the expiration of an equal number of terms at~~
21 ~~intervals of one year, with each term commencing on July 1 and~~



1 ~~expiring on June 30.]~~ The members of the board shall be as
2 follows:

- 3 (1) The executive director and chief executive officer of
4 the high technology development corporation;
- 5 (2) The division head of the creative industries division
6 of the department of business, economic development,
7 and tourism;
- 8 (3) The president of the Hawaii strategic development
9 corporation;
- 10 (4) The executive director of the natural energy
11 laboratory of Hawaii authority;
- 12 (5) The executive director of the agribusiness development
13 corporation;
- 14 (6) The executive director of the Hawaii housing finance
15 development corporation;
- 16 (7) The energy administrator of the Hawaii state energy
17 office;
- 18 (8) One private business sector member to be appointed by
19 the speaker of the house of representatives; and
- 20 (9) One private business sector member to be appointed by
21 the president of the senate."



1 SECTION 3. Section 206M-52, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) [~~The members of the high technology innovation~~
4 ~~corporation's board shall elect]~~ The executive director and
5 chief executive officer of the high technology development
6 corporation shall serve as the chairperson of the board."

7 SECTION 4. Section 206M-55, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "[+]§206M-55[+] **Officers and employees of the innovation**
10 **corporation.** [~~The executive director and chief executive~~
11 ~~officer of the high technology development corporation shall be~~
12 ~~the president of the high technology innovation corporation.]~~
13 The high technology innovation corporation's board of directors
14 shall select the president of the high technology innovation
15 corporation, and may also appoint other officers and employees
16 as may be necessary in administering the affairs of the high
17 technology innovation corporation. The high technology
18 innovation corporation's board of directors shall set the
19 employees' duties, responsibilities, salaries, holidays,
20 vacations, leaves, hours of work, and working conditions and may
21 grant other benefits as it deems necessary. New employees of
22 the innovation corporation shall not be entitled to any benefits



1 conferred under chapter 76, 78, 88, or 89, or any public
2 employee collective bargaining agreement, executive order,
3 executive directive, or rule; provided that any existing officer
4 or employee of the State whose functions are transferred by this
5 part shall not suffer any loss of salary, seniority, prior
6 service credit, vacation, sick leave, or other employee benefit
7 or privilege as a consequence of this part."

8 SECTION 5. Notwithstanding any law to the contrary, the
9 terms of all currently appointed members of the high technology
10 development corporation's board shall expire upon the enactment
11 of this Act.

12 **PART II**

13 SECTION 6. The Hawaii Revised Statutes is amended by
14 adding a new chapter to be appropriately designated and to read
15 as follows:

16 **"CHAPTER**

17 **PUBLIC-PRIVATE PARTNERSHIP AUTHORITY**

18 § -1 **Findings and purpose.** The legislature finds that
19 these are difficult economic times for all levels of government,
20 as public service demands for an increasing population put
21 pressure on revenue resources. The State faces the challenge of
22 balancing a budget while addressing escalating infrastructure



1 and service needs. Due to insufficient funding and postponed
2 maintenance, the daily demands continue to increase.

3 Governments around the world have been engaging in public-
4 private partnerships to address these economic challenges.
5 State agencies are hamstrung by their limited missions and
6 dwindling resources. Creating a partnership agency to
7 collaborate with all state agencies and private sector entities
8 may help to deliver services and facilities more effectively.

9 The purpose of this chapter is to create a vehicle and
10 process to use the skills and assets of both the public and
11 private sectors to deliver services and facilities for the
12 economic, environmental, and social benefit of the people of
13 Hawaii. This chapter establishes the public-private partnership
14 authority to administer appropriate and culturally-sensitive
15 projects. The authority shall coordinate and administer
16 projects, while ensuring that resources are maintained for the
17 people of Hawaii. The authority shall identify projects that
18 are suitable under this chapter, carry out appropriate analyses,
19 enter into public-private agreements, and provide leadership for
20 the facilitation of financing, improvement, or enhancement of
21 appropriate facilities, operations, and property.



1 § -2 **Definitions.** As used in this chapter, unless the
2 context clearly requires otherwise:

3 "Authority" means the public-private partnership authority.

4 "Board" means the board of directors of the public-private
5 partnership authority.

6 "Cooperative agreement" means an instrument, such as a
7 contract, compact, memorandum of understanding, or agreement,
8 that is signed and binding upon all parties to the agreement.

9 "Management rights" means the authority to control and
10 manage projects.

11 "Project" means a specific undertaking related to the
12 operations and properties of any public agency, including and
13 not limited to:

14 (1) Development of plans for a public agency; and

15 (2) Planning, improvement, construction, rehabilitation,
16 alteration, maintenance, or repair of real property or
17 energy generation.

18 "Qualified person" means any individual, partnership,
19 corporation, not-for-profit organization, or public agency
20 possessing the competence, expertise, experience, and resources,
21 including financial, personnel, and tangible qualifications, as
22 deemed desirable by the authority.



1 § -3 **Public-private partnership authority; established.**

2 (a) There is established the public-private partnership
3 authority, which shall be a public body corporate and politic
4 and an instrumentality and agency of the State. The authority
5 shall be headed by a board of directors. The authority shall be
6 placed within the department of business, economic development,
7 and tourism for administrative purposes.

8 The authority shall:

- 9 (1) Identify projects that are suitable under this
10 chapter;
- 11 (2) Conduct analyses, as appropriate;
- 12 (3) Enter into public-private partnership agreements, as
13 appropriate; and
- 14 (4) Provide the leadership for public-private partnership
15 projects.

16 (b) The board of directors of the public-private
17 partnership authority shall consist of five voting members and
18 one non-voting member. The voting members shall include:

- 19 (1) The comptroller, or the first deputy to the
20 comptroller, or a designated representative;
- 21 (2) The director of finance, or a designated
22 representative;



1 (3) The director of business, economic development, and
2 tourism, or a designated representative;

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

5 (5) One member to be appointed by the president of the
6 senate.

7 The ex officio, non-voting member shall be the aha moku advisory
8 committee member of the moku in which the project is sited.

9 The members appointed by the speaker of the house of
10 representatives and the president of the senate shall possess
11 sufficient knowledge, experience, and proven expertise in small
12 and large businesses within the development or recreation
13 industries, banking, real estate, finance, promotion, marketing,
14 or management.

15 The term of office of the members appointed by the speaker
16 of the house of representatives and the president of the senate
17 shall be four years each.

18 Three members shall constitute a quorum, and a minimum of
19 three votes shall be necessary for all actions by the board.

20 (c) The board shall appoint an executive director, who
21 shall serve at the pleasure of the board and shall be exempt



1 from chapter 76. The salary of the executive director shall be
2 set by the board.

3 (d) The board, through its executive director, may appoint
4 officers, agents, and employees; prescribe their duties and
5 qualifications; and fix their salaries, without regard to
6 chapter 76.

7 § -4 **Powers; generally.** Except as otherwise limited by
8 this chapter, the authority may:

- 9 (1) Sue and be sued;
- 10 (2) Have a seal and alter the same at its pleasure;
- 11 (3) Make and alter bylaws for its organization and
12 internal management;
- 13 (4) Adopt rules under chapter 91 necessary to implement
14 this chapter in connection with its projects;
- 15 (5) Make and execute contracts, leases, and all other
16 instruments necessary or convenient for the exercise
17 of its powers and functions under this chapter;
- 18 (6) Manage projects by itself or in partnership with
19 qualified persons or other governmental agencies;
- 20 (7) Receive, examine, and determine the acceptability of
21 applications of qualified persons for public-private
22 partnerships;



- 1 (8) Coordinate its activities with any federal or state
2 programs;
- 3 (9) Provide advisory, consultative, training, and
4 educational services and technical assistance to any
5 person, partnership, or corporation, either public or
6 private, to carry out the purposes of this chapter,
7 and engage the services of consultants on a
8 contractual basis for rendering professional and
9 technical assistance and advice;
- 10 (10) Procure insurance against any loss in connection with
11 its property and other assets and operations in
12 amounts and from insurers as it deems desirable;
- 13 (11) Accept gifts or grants in any form from any public
14 agency or any other source;
- 15 (12) Coordinate with any public agency;
- 16 (13) Recommend to the appropriate public agency the
17 acquisition of any privately owned real or personal
18 property that may be appropriate for the purposes of
19 this chapter; and
- 20 (14) Do all things necessary or proper to carry out the
21 purposes of this chapter.



1 § -5 **Projects and plans.** (a) The authority may develop
2 plans and implement projects on behalf of public agencies, as
3 appropriate.

4 (b) The authority may enter into a cooperative agreement
5 with any public agency to implement projects on behalf of the
6 public agency.

7 (c) The authority may enter into cooperative agreements
8 with persons or public agencies when the powers, services, and
9 capabilities of the persons or agencies are deemed necessary and
10 appropriate.

11 (d) Prior to implementing any project, the authority shall
12 submit the proposed plan for the project, together with any
13 amendments, to and obtain the prior approval of the board and
14 any executive of an affected public agency.

15 § -6 **Approval of projects.** All projects to be developed
16 by the authority shall be approved by the board and any
17 executive of an affected public agency.

18 § -7 **Transfer of management rights.** (a)
19 Notwithstanding chapter 171 or any provision of this chapter to
20 the contrary, any public agency may transfer, subject to the
21 approval of the board or executive of the public agency,



1 management rights for projects under its jurisdiction to the
2 authority for purposes of this chapter.

3 (b) If the authority finds that projects under the control
4 and management of any public agency are suitable for its
5 purposes under this chapter, the authority may lease properties
6 from or agree to manage the properties of the agency having
7 jurisdiction, upon terms and conditions as agreed to by the
8 parties.

9 (c) Notwithstanding subsection (b) to the contrary, no
10 property shall be leased to the authority if the lease would
11 impair any covenant between the State or any county, or any
12 department or board thereof, and the holders of bonds issued by
13 the State or the county, or any department or board thereof.

14 § -8 **Public-private partnership revenues.** Any revenues
15 generated by or on behalf of the Authority from public-private
16 partnership projects and plans developed pursuant to this
17 chapter shall be deposited into the general fund.

18 § -9 **Exemption from taxation.** The authority shall not
19 be required to pay state taxes of any kind.

20 § -10 **Application of chapter.** The authority and all
21 projects implemented under this chapter shall comply with all
22 state laws, other than the exemption from state taxes in § -9.



1 § -11 **Reports and evaluation.** (a) The authority shall
2 submit a complete and detailed annual report of its plans and
3 activities as follows:

4 (1) To the governor no later than twenty days prior to the
5 convening of each regular session; and

6 (2) To the legislature, no later than sixty days after the
7 submission of the report as specified in paragraph

8 (1).

9 (b) The board shall submit to the governor and the
10 legislature, no later than twenty days prior to the convening of
11 each regular session, an evaluation of the executive director
12 appointed pursuant to section -3."

13 SECTION 7. After the adoption of rules pursuant to section
14 -4(4), Hawaii Revised Statutes, established by section 6 of
15 this Act, the public-private partnership authority shall
16 initiate pilot projects pursuant to chapter , Hawaii
17 Revised Statutes, established by section 6 of this Act, as
18 follows:

19 (1) A film production facility on state lands on the most
20 populous island of a county with a population between
21 one hundred thousand and one hundred seventy-five
22 thousand;



- 1 (2) A main-street project on state lands in Wahiawa, city
- 2 and county of Honolulu; and
- 3 (3) One county initiated project.

4 SECTION 8. The public-private partnership authority shall
 5 include in its annual report to the governor and the legislature
 6 required by section -11, Hawaii Revised Statutes, a detailed
 7 report on the status of each pilot project.

8 The public-private partnership authority shall notify the
 9 governor and the legislature upon the completion of each pilot
 10 project and, within ninety days of each pilot project's
 11 completion, submit a report to the governor and the legislature
 12 containing a review and evaluation of each pilot project and any
 13 recommendations to improve the effectiveness of chapter ,
 14 Hawaii Revised Statutes.

15 SECTION 9. The public-private partnership authority shall
 16 neither plan nor implement any projects other than the pilot
 17 projects nor enter into any agreements or contracts related to
 18 the planning or implementation of any projects other than the
 19 pilot projects identified in this part.

20 SECTION 10. There is appropriated out of the general
 21 revenues of the State of Hawaii the sum of \$ or so
 22 much thereof as may be necessary for fiscal year 2013-2014 and



1 the same sum or so much thereof as may be necessary for fiscal
2 year 2014-2015 for:

3 (1) The establishment and operation of the public-private
4 partnership authority pursuant to section 6 of this
5 Act; and

6 (2) The funding of staff positions.

7 The sums appropriated shall be expended by the department
8 of business, economic development, and tourism for the purposes
9 of this part.

10 **PART III**

11 SECTION 11. If any provision of this Act, or the
12 application thereof to any person or circumstance, is held
13 invalid, the invalidity does not affect other provisions or
14 applications of the Act that can be given effect without the
15 invalid provision or application, and to this end the provisions
16 of this Act are severable.

17 SECTION 12. This Act does not affect rights and duties
18 that matured, penalties that were incurred, and proceedings that
19 were begun before its effective date.

20 SECTION 13. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 14. This Act shall take effect upon its approval;

2 provided that:

3 (1) Section 1 shall take effect on June 29, 2013; and

4 (2) Part II of this Act shall take effect on July 1, 2013,

5 and shall be repealed on July 1, 2018.

6



Report Title:

High Technology Innovation Corporation; HTIC Board of Directors;
Public-private Partnership Authority; Pilot Project;
Appropriation

Description:

Part I extends the sunset date of the HTIC from 2013 to 2018 and changes the composition of the HTIC's board of directors. Part II establishes the public-private partnership authority (PPPA); requires the PPPA to initiate pilot projects; appropriates an unspecified sum for the PPPA; and repeals on 07/01/2018. (SD1)

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

