

JAN 23 2015

A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1 SECTION 1. The legislature finds that the development of
2 commercial high technology in Hawaii is important to the State's
3 economic development. The Hawaii legislature created the high
4 technology innovation corporation in 2005 to facilitate the
5 growth and development of commercial high technology in Hawaii.
6 The high technology innovation corporation's duties included but
7 were not limited to:

- 8 (1) Managing the assets and resources of the high
9 technology development corporation;
- 10 (2) Planning, creating, and implementing any programs and
11 projects assigned by the high technology development
12 corporation including nonprofit, state, and federally
13 funded programs and projects;
- 14 (3) Identifying and obtaining funding and other resources
15 in support of the high technology innovation
16 corporation and the high technology development
17 corporation from agencies not able to provide



1 resources directly to the high technology development
2 corporation; and

3 (4) Assisting the high technology development corporation
4 strategically and operationally in support of the
5 State's technology-based economic development
6 activities.

7 In 2013, the high technology innovation corporation was not
8 extended by the legislature, and the program ended.

9 The purpose of this Act is to renew support of commercial
10 high technology growth and development in Hawaii by
11 reestablishing the high technology innovation corporation.

12 SECTION 2. Chapter 206M, Hawaii Revised Statutes, is
13 amended by adding a new part to be appropriately designated and
14 to read as follows:

15 "PART . HIGH TECHNOLOGY INNOVATION CORPORATION

16 §206M-A Establishment of the high technology innovation

17 corporation; purpose. (a) There is established, as a body
18 corporate, the high technology innovation corporation. The high
19 technology innovation corporation shall be a public, not-for-
20 profit organization under section 501(c)(3) of the Internal
21 Revenue Code of 1986, as amended. The high technology



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

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

- 9 (1) Managing the assets and resources of the high
10 technology development corporation, including its
11 technology parks and incubation facilities;
- 12 (2) Planning, creating, and implementing any programs and
13 projects of the high technology development
14 corporation that shall be assigned to the high
15 technology innovation corporation, including
16 federally- and state-funded programs and projects and
17 those programs funded by other nonprofit and for-
18 profit organizations;
- 19 (3) Identifying and obtaining funding and other resources
20 in support of the purposes of the high technology
21 innovation corporation and the high technology



1 development corporation from agencies and
2 organizations not able to provide resources directly
3 to the high technology development corporation;

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

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

11 (c) The high technology innovation corporation shall
12 implement this purpose by:

13 (1) Furnishing the means, methods, and agencies by which
14 the management, programming, training, investigation,
15 research, and analysis may be conducted;

16 (2) Other means to make the benefits of programming,
17 training, investigation, research, and analysis
18 available to the public; and

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



1 The high technology innovation corporation shall have the sole
2 right to provide the foregoing services and support to the high
3 technology development corporation, and the high technology
4 development corporation shall use the high technology innovation
5 corporation to provide these services and support in every case,
6 except when the high technology development corporation
7 determines that the high technology innovation corporation may
8 not or cannot legally or operationally provide these services
9 and support.

10 **§206M-B Board of directors; composition.** (a) The affairs
11 of the high technology innovation corporation shall be under the
12 general management and control of a board of directors
13 consisting of nine voting members. The board shall be composed
14 as follows:

- 15 (1) The executive director and chief executive officer of
16 the high technology development corporation;
- 17 (2) The division head of the creative industries division
18 of the department of business, economic development,
19 and tourism;
- 20 (3) The president of the Hawaii strategic development
21 corporation;



- 1 (4) The executive director of the natural energy
2 laboratory of Hawaii authority;
- 3 (5) The executive director of the agribusiness development
4 corporation;
- 5 (6) The executive director of the Hawaii housing finance
6 development corporation;
- 7 (7) The energy administrator of the Hawaii state energy
8 office;
- 9 (8) One private business sector member to be appointed by
10 the speaker of the house of representatives; and
- 11 (9) One private business sector member to be appointed by
12 the president of the senate.
- 13 (b) All members of the high technology innovation
14 corporation's board shall serve without pay, but shall be
15 entitled to reimbursement for necessary expenses, including
16 travel expenses, while attending meetings and while in the
17 discharge of duties and responsibilities.
- 18 (c) The executive director and chief executive officer of
19 the high technology development corporation shall serve as the
20 chairperson of the board.



1 §206M-C Powers of the board. The high technology
2 innovation corporation, under the direction of its board of
3 directors, shall have the following general powers:

4 (1) To adopt, amend, and repeal bylaws governing the
5 conduct of its business and the exercise of the powers
6 and performance of duties granted to or imposed upon
7 it by law;

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

12 (3) To enter into and perform contracts, leases,
13 cooperative agreements, or other transactions with the
14 high technology development corporation or any other
15 agency or political subdivision of the State, any
16 private person, firm, partnership, association,
17 company, or corporation, only as it may be necessary
18 in the conduct of its business and on terms as it may
19 deem appropriate; provided that the high technology
20 innovation corporation shall not obligate any funds of
21 the State except funds that have been appropriated to



1 it by the legislature or transferred or contracted to
2 it by the high technology development corporation or
3 other agency or department of the state government.
4 Notwithstanding the foregoing, the high technology
5 innovation corporation may enter into and perform
6 contracts, leases, cooperative agreements, or other
7 transactions with any agency or instrumentality of the
8 United States, a foreign nation, a state, a territory
9 or a possession, or with any political subdivision
10 thereof, whenever the donating or granting agency or
11 instrumentality determines that the high technology
12 development corporation or any other agency of the
13 State cannot as effectively and efficiently accomplish
14 the purposes for which the contracts, leases,
15 cooperative agreements, or other transactions are
16 being entered into; provided that the high technology
17 innovation corporation shall not obligate any funds of
18 the State except funds that have been appropriated or
19 transferred to it or contracted for it;
20 (4) To receive by gifts, grants, devises, bequests, or
21 otherwise, from private sources only, any property,

1 real, personal, or mixed, intangible or tangible,
2 absolutely or in trust, to be used and disposed of,
3 either the principal or the income therefrom, in
4 accordance with the conditions under which it was
5 received; provided that no gift to the high technology
6 innovation corporation shall be accepted unless
7 approved or confirmed by its board of directors.

8 Notwithstanding the foregoing, the high technology
9 innovation corporation may receive gifts, grants, or
10 awards from any agency or instrumentality of the
11 United States, a foreign nation, a state, a territory
12 or a possession, or from any political subdivision
13 thereof, whenever the donating or granting agency or
14 instrumentality determines that the high technology
15 development corporation or any other agency of the
16 State cannot as effectively and efficiently accomplish
17 the purposes for which the gifts, grants, or awards
18 are being made; provided that no gift to the high
19 technology innovation corporation shall be accepted
20 unless approved or confirmed by its board of
21 directors;



- 1 (5) To have a corporate seal;
- 2 (6) To sue and be sued in its own name;
- 3 (7) To serve as trustee or beneficiary under terms of any
- 4 gift, indenture, or will;
- 5 (8) To apply for, take out, receive by purchase or gift,
- 6 hold, administer, and dispose of copyrights, patent
- 7 rights, licenses, assignments of inventions,
- 8 discoveries, processes, and other property, rights or
- 9 interests therein, and the income thereof, absolutely
- 10 or subject to conditions or trusts as may be attached
- 11 thereto or be imposed thereon, and to obligate itself
- 12 to perform and execute any and all conditions or
- 13 trusts;
- 14 (9) To conduct programs, projects, research, studies,
- 15 experiments, investigations, and tests in all fields
- 16 of knowledge; to promote and develop the scientific
- 17 and commercial value of inventions, discoveries, and
- 18 processes; and to make, publish, and distribute the
- 19 results thereof;
- 20 (10) To coordinate and correlate activities and projects of
- 21 the high technology innovation corporation with the



- 1 work of state agencies for the purpose of relating
2 research work to the economic development of the State
3 whenever practical or desirable;
- 4 (11) To stimulate and promote cooperative research projects
5 and activities;
- 6 (12) To establish and maintain, or to assist in
7 establishing and maintaining staff positions for the
8 purpose of aiding in technology-based economic
9 development, and to enter into agreements or contracts
10 with other corporations, organizations, institutions,
11 or persons for this purpose and to pay the necessary
12 and appropriate expenses therefor;
- 13 (13) To prepare, print, or publish any manuscript, research
14 article, report, study, discussion, reference,
15 collection, or any pictorial or schematic
16 representation or group or collection thereof, whether
17 the same belongs to or is the work of any state agency
18 or its employees, or the high technology innovation
19 corporation or its employees or a contractor of the
20 high technology innovation corporation. The printing
21 or publication may be accomplished through whatever



1 person, company, or agency is deemed most appropriate
2 by the board of directors;

3 (14) To establish operational bank accounts as may be
4 necessary in the conduct of its business and its out-
5 of-state offices, including accounts in in-state and
6 out-of-state locations and accounts of foreign
7 denomination in out-of-state locations, without the
8 approval of the director of finance or the
9 comptroller; and

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

13 **§206M-D Innovation corporation; exempted from certain**
14 **state laws.** The high technology innovation corporation shall be
15 exempt from the following state laws:

- 16 (1) Section 78-1, relating to public employment;
17 (2) Chapter 36, relating to the management of state funds;
18 (3) Chapter 38, relating to deposits of public funds;
19 (4) Chapter 76, relating to civil service; and
20 (5) Chapter 103D, relating to the Hawaii public
21 procurement code.



1 **§206M-E Officers and employees of the innovation**
2 **corporation.** The high technology innovation corporation's board
3 of directors shall select the president of the high technology
4 innovation corporation and may also appoint other officers and
5 employees as may be necessary in administering the affairs of
6 the high technology innovation corporation. The high technology
7 innovation corporation's board of directors shall set the
8 employees' duties, responsibilities, salaries, holidays,
9 vacations, leaves, hours of work, and working conditions and may
10 grant other benefits as it deems necessary. New employees of
11 the innovation corporation shall not be entitled to any benefits
12 conferred under chapter 76, 78, 88, or 89, or any public
13 employee collective bargaining agreement, executive order,
14 executive directive, or rule; provided that any existing officer
15 or employee of the State whose functions are transferred by this
16 part shall not suffer any loss of salary, seniority, prior
17 service credit, vacation, sick leave, or other employee benefit
18 or privilege as a consequence of this part.

19 **§206M-F Annual report.** The high technology innovation
20 corporation shall submit an annual report, not later than twenty
21 days prior to the convening of each regular session, to the



1 governor, president of the senate, and speaker of the house of
2 representatives. The report shall include but not be limited to
3 the high technology innovation corporation's audited financial
4 statement, total amount of payroll and other disbursements made,
5 and progress and accomplishments made during the year.

6 **§206M-G Dissolution.** If the high technology innovation
7 corporation is dissolved, all of its property, real, personal,
8 and mixed and wheresoever situated, shall vest immediately and
9 absolutely in the high technology development corporation, and
10 none of its property shall inure to the benefit of any officer,
11 director, or member of the high technology innovation
12 corporation.

13 **§206M-H Patents, copyrights, and other rights.** Any
14 patents, copyrights, inventions, discoveries, or other rights
15 arising from high technology innovation corporation activities
16 shall belong to the high technology innovation corporation and
17 be subject to policies or rules as the high technology
18 innovation corporation board of directors may adopt.

19 **§206M-I Contracts with state agencies.** Any contract
20 between the high technology innovation corporation and any
21 agency, office, department, or other administrative subdivision



1 of the executive branch of the State shall include the
2 following:


- 3 (1) Its termination date;
- 4 (2) Its intent and purpose;
- 5 (3) A statement establishing the full permissible extent
6 of its applicability; and
- 7 (4) A description of the circumstances under which it may
8 be amended or extended."

9 SECTION 3. In codifying the new sections added by section
10 2 of this Act, the revisor of statutes shall substitute
11 appropriate section numbers for the letters used in designating
12 the new sections in this Act.

13 SECTION 4. This Act shall take effect upon its approval.

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S.B. NO. 634

Report Title:

High Technology Innovation Corporation; High Technology
Development Corporation; Economic Development

Description:

Reestablishes the high technology innovation corporation.

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