
A BILL FOR AN ACT

RELATING TO TECHNOLOGY.

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

PART I

SECTION 1. The legislature finds that to be successful in the twenty-first century global economy, Hawaii must position itself as a leader in technology development, transfer, and commercialization. Significant progress has been made in past years through programs supported by federal and state initiatives, such as programs administered by the Hawaii technology development corporation, Hawaii strategic development corporation, and the Hawaii technology development venture. However, the legislature believes that additional efforts are required to move Hawaii's technology industry to achieve local technology commercialization. Innovation in science and technology fields will not only enable the State to succeed in the global marketplace, but will also support the State's sustainable economic development goals to include a viable and vibrant technology and manufacturing labor force.



1 The purpose of this Act is to establish the Hawaii
2 innovation and technology research corporation to:

3 (1) Promote, develop, and expand Hawaii's innovation and
4 technology industry;

5 (2) Promote a more diverse economy that offers high
6 quality, knowledge-based jobs; and

7 (3) Develop policy and resource allocations to enable and
8 support start-up companies, sustain existing
9 companies, and attract companies to relocate or
10 establish offices in Hawaii.

11 PART II

12 SECTION 2. The Hawaii Revised Statutes is amended by
13 adding a new chapter to be appropriately designated and to read
14 as follows:

15 "CHAPTER

16 HAWAII INNOVATION AND TECHNOLOGY RESEARCH CORPORATION

17 § -1 Hawaii innovation and technology research
18 corporation; establishment; purpose. (a) There is established,
19 as a body corporate, the Hawaii innovation and technology
20 research corporation. The Hawaii innovation and technology
21 research corporation shall be a public instrumentality of the



1 State and shall be placed within the department of business,
2 economic development, and tourism for administrative purposes
3 only pursuant to section 26-35.

4 (b) The purpose of the Hawaii innovation and technology
5 research corporation shall be to promote, develop, and expand
6 Hawaii's innovation and technology industry by:

- 7 (1) Encouraging, initiating, and aiding in the development
8 and commercialization of local innovation and
9 technology;
- 10 (2) Furnishing the means and methods to institute and grow
11 local innovation and technology;
- 12 (3) Developing policy and resource allocations to enable
13 and support start-up companies, sustain existing
14 companies, and attract companies to relocate or
15 establish offices in Hawaii;
- 16 (4) Attracting resources from public and private sector
17 organizations and agencies to develop a local
18 qualified innovation research and technology
19 workforce;
- 20 (5) Coordinating with other state agencies and entities to
21 support the innovation and technology industry;



(6) Collecting and analyzing information on the state of local and global technology activity; and

(7) Taking any and all other actions reasonably designed to promote the purposes of the research corporation in the interest of promoting the general welfare of the people of the State.

§ -2 Hawaii innovation and technology research corporation; board; executive director. (a) The Hawaii innovation and technology research corporation shall be headed by a policy-making board of directors.

All board members shall have knowledge, experience, and expertise in the field of technology, innovation, information systems, computer science, aerospace, agriculture, tourism, environmental science, or sustainability. The governor shall ensure the fulfillment of all requirements of this subsection. If any nominee submitted pursuant to subsection (b) does not fulfill the requirements of this subsection, the governor shall notify the president of the senate, the speaker of the house of representatives, or the president of the University of Hawaii, as appropriate, of the unmet requirements.



1 Board members shall serve for four-year terms, and no board
2 member shall serve for longer than eight consecutive years;
3 provided that each member shall hold office until the member's
4 successor is appointed and qualified.

5 (b) The board of directors shall consist of the following
6 individuals:

7 (1) Four members shall be appointed by the governor;

8 (2) Two members shall be appointed by the governor from a
9 list of nominees from the president of the senate;

10 (3) Two members shall be appointed by the governor from a
11 list of nominees from the speaker of the house of
12 representatives; and

13 (4) One member shall be appointed by the governor from a
14 list of nominees from the president of the University
15 of Hawaii.

16 (c) The board shall elect a chairperson from among its
17 members.

18 (d) A majority of the board members shall constitute a
19 quorum and an affirmative vote by a majority of the quorum shall
20 be necessary for all actions by the Hawaii innovation and
21 technology research corporation. The members shall serve



1 without compensation, but shall be reimbursed for expenses,
2 including travel expenses, necessary for the performance of
3 their duties, by the department of business, economic
4 development, and tourism.

5 (e) The board shall appoint one person to serve as
6 executive director, who shall oversee the Hawaii innovation and
7 technology research corporation staff. The board shall set the
8 duties and responsibilities of the executive director. Salaries
9 for the executive director and staff shall be appropriated by
10 the legislature.

11 § -3 Hawaii innovation and technology research
12 corporation; powers. The Hawaii innovation and technology
13 research corporation, under the direction of the board of
14 directors, shall have the following general powers:

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

19 (2) To sell, lease, rent, hold, maintain, use, and operate
20 any real, personal, or mixed, tangible or intangible,



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

3 (3) To enter into and perform such contracts, leases,
4 cooperative agreements, or other transactions with any
5 other agency or political subdivision of the State; or
6 any private person, firm, partnership, association,
7 company, or corporation as it may be necessary in the
8 conduct of its business and on terms as it may deem
9 appropriate; provided that the research corporation
10 shall not obligate any funds of the State except those
11 that have been appropriated to it. Notwithstanding
12 the foregoing, the research corporation may enter into
13 and perform contracts, leases, cooperative agreements,
14 or other transactions with any agency or
15 instrumentality of the United States, a foreign
16 nation, a state, a territory, or a possession, or with
17 any political subdivision thereof on behalf of another
18 agency of the State, whenever the agency or
19 instrumentality entering into the transaction with the
20 research corporation determines that the agency of the
21 State lacks the capacity to be effective and efficient



1 in accomplishing the purposes for which the contracts,
2 leases, cooperative agreements, or other transactions
3 are being entered into; provided that the research
4 corporation shall not obligate any funds of the State
5 except those that have been appropriated to the
6 research corporation;

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



1 agency or instrumentality determines that the agency
2 of the State lacks the capacity to be effective and
3 efficient in accomplishing the purposes for which the
4 gifts, grants, or awards are being made; provided that
5 no gift to the research corporation shall be accepted
6 unless approved or confirmed by the board of
7 directors;

8 (5) To serve as trustee or beneficiary under terms of any
9 gift, indenture, or will;

10 (6) To coordinate and correlate activities and projects of
11 the research corporation with the work of other state
12 agencies for the purpose of economic development of
13 the State whenever practical or desirable;

14 (7) To support industry-focused events in fields,
15 including but not limited to aerospace, energy,
16 healthcare, and consumer products, whereby
17 collaboration can be facilitated that enables Hawaii-
18 based technology companies to access national and
19 global markets. Support may include but is not
20 limited to travel and coordination, introductions and
21 follow-up communications, and developing and



1 maintaining a database of companies, individuals,
2 collaborators, candidates, and graduates from science,
3 technology, engineering, and math fields with
4 connections or ties to Hawaii, including coordination
5 with Hawaii high schools and Hawaii universities;

6 (8) To provide grants to any business in Hawaii that:

7 (A) Receives a federal small business innovation
8 research phase I, II, or III award or contract
9 from any participating federal agency, up to
10 fifty per cent of the amount of the federal award
11 or contract;

12 (B) Receives a federal small business technology
13 transfer program award or contract from any
14 participating federal agency, up to fifty per
15 cent of the amount of the federal award or
16 contract; or

17 (C) Applies for a small business innovation research
18 federal grant or a small business technology
19 transfer program federal grant, in an amount not
20 to exceed \$3,000,

21 subject to the availability of funds; and



(9) To do any or all other acts reasonably necessary to carry out the objectives and purposes of the research corporation."

PART III

SECTION 3. Section 26-18, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The following are placed in the department of business, economic development, and tourism for administrative purposes as defined by section 26-35: Hawaii community development authority, Hawaii housing finance and development corporation, Hawaii innovation and technology [~~development~~] research corporation, land use commission, natural energy laboratory of Hawaii authority, and any other boards and commissions as shall be provided by law."

SECTION 4. Section 171-2, Hawaii Revised Statutes, is amended to read as follows:

"§171-2 Definition of public lands. "Public lands" means all lands or interest therein in the State classed as government or crown lands previous to August 15, 1895, or acquired or reserved by the government upon or subsequent to that date by purchase, exchange, escheat, or the exercise of the right of



1 eminent domain, or in any other manner; including lands accreted
2 after May 20, 2003, and not otherwise awarded, submerged lands,
3 and lands beneath tidal waters that are suitable for
4 reclamation, together with reclaimed lands that have been given
5 the status of public lands under this chapter, except:

6 (1) Lands designated in section 203 of the Hawaiian Homes
7 Commission Act, 1920, as amended;

8 (2) Lands set aside pursuant to law for the use of the
9 United States;

10 (3) Lands being used for roads and streets;

11 (4) Lands to which the United States relinquished the
12 absolute fee and ownership under section 91 of the
13 Hawaiian Organic Act prior to the admission of Hawaii
14 as a state of the United States unless subsequently
15 placed under the control of the board of land and
16 natural resources and given the status of public lands
17 in accordance with the state constitution, the
18 Hawaiian Homes Commission Act, 1920, as amended, or
19 other laws;

20 (5) Lands to which the University of Hawaii holds title;



- 1 (6) Lands to which the Hawaii housing finance and
2 development corporation in its corporate capacity
3 holds title;
- 4 (7) Lands to which the Hawaii community development
5 authority in its corporate capacity holds title;
- 6 (8) Lands to which the department of agriculture holds
7 title by way of foreclosure, voluntary surrender, or
8 otherwise, to recover moneys loaned or to recover
9 debts otherwise owed the department under chapter 167;
- 10 (9) Lands that are set aside by the governor to the Aloha
11 Tower development corporation; lands leased to the
12 Aloha Tower development corporation by any department
13 or agency of the State; or lands to which the Aloha
14 Tower development corporation holds title in its
15 corporate capacity;
- 16 (10) Lands that are set aside by the governor to the
17 agribusiness development corporation; lands leased to
18 the agribusiness development corporation by any
19 department or agency of the State; or lands to which
20 the agribusiness development corporation in its
21 corporate capacity holds title; and



1 (11) Lands to which the Hawaii innovation and technology
2 [~~development~~] research corporation in its corporate
3 capacity holds title;
4 provided that, except as otherwise limited under federal law and
5 except for state land used as an airport as defined in section
6 262-1, public lands shall include the air rights over any
7 portion of state land upon which a county mass transit project
8 is developed after July 11, 2005."

9 SECTION 5. Section 171-64.7, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) This section applies to all lands or interest therein
12 owned or under the control of state departments and agencies
13 classed as government or crown lands previous to August 15,
14 1895, or acquired or reserved by the government upon or
15 subsequent to that date by purchase, exchange, escheat, or the
16 exercise of the right of eminent domain, or any other manner,
17 including accreted lands not otherwise awarded, submerged lands,
18 and lands beneath tidal waters that are suitable for
19 reclamation, together with reclaimed lands that have been given
20 the status of public lands under this chapter, including:



- 1 (1) Land set aside pursuant to law for the use of the
2 United States;
- 3 (2) Land to which the United States relinquished the
4 absolute fee and ownership under section 91 of the
5 Organic Act prior to the admission of Hawaii as a
6 state of the United States;
- 7 (3) Land to which the University of Hawaii holds title;
- 8 (4) Land to which the Hawaii housing finance and
9 development corporation in its corporate capacity
10 holds title;
- 11 (5) Land to which the department of agriculture holds
12 title by way of foreclosure, voluntary surrender, or
13 otherwise, to recover moneys loaned or to recover
14 debts otherwise owed the department under chapter 167;
- 15 (6) Land that is set aside by the governor to the Aloha
16 Tower development corporation; or land to which the
17 Aloha Tower development corporation holds title in its
18 corporate capacity;
- 19 (7) Land that is set aside by the governor to the
20 agribusiness development corporation; or land to which



1 the agribusiness development corporation in its
2 corporate capacity holds title; and

3 (8) Land to which the Hawaii innovation and technology
4 [~~development~~] research corporation in its corporate
5 capacity holds title."

6 SECTION 6. Section 210-7, Hawaii Revised Statutes, is
7 amended by amending subsection (b) to read as follows:

8 "(b) Subject to the availability of funds, a request from
9 the Hawaii innovation and technology [~~development~~] research
10 corporation for a transfer of funds to supplement appropriations
11 for small business innovation research grants shall be granted
12 expeditiously. If available funds are inadequate for a transfer
13 to the [~~development~~] research corporation, the director shall
14 advise the [~~development~~] research corporation that a transfer
15 will be made when sufficient funds are available in the Hawaii
16 capital loan revolving fund."

17 SECTION 7. Section 227D-2, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) The governing body of the authority shall consist of
20 a board of directors having thirteen voting members. Three
21 members from the general public shall be appointed by the



1 governor for staggered terms pursuant to section 26-34, except
2 that one of these members shall be a resident of the county of
3 Hawaii. The members shall be selected on the basis of their
4 knowledge, interest, and proven expertise in, but not limited
5 to, one or more of the following fields: finance, commerce and
6 trade, corporate management, marketing, economics, engineering,
7 energy management, real estate development, property management,
8 aquaculture, and ocean science. The chairperson and secretary
9 of the research advisory committee shall serve on the board.
10 The director of business, economic development, and tourism, the
11 chairperson of the board of land and natural resources, the
12 president of the University of Hawaii, the mayor of the county
13 of Hawaii, ~~[an appointed member from the board of the Hawaii~~
14 ~~technology development corporation,]~~ and an appointed member
15 from the board of the Hawaii ~~[strategic development]~~ innovation
16 and technology research corporation, or their designated
17 representatives, shall serve as ex officio, voting members of
18 the board. The tenants of the authority shall elect two members
19 to the board from among the tenants of the authority, of which
20 one member shall serve a two-year term, and one member shall
21 serve a four-year term. In electing the tenant members, each



1 tenant shall be entitled to cast one vote for each member
2 position. The tenant members shall be recused from voting on
3 setting lease rents, water rates, or utility rates, but may
4 participate in discussions. The director of business, economic
5 development, and tourism shall serve as the chairperson until
6 such time as a chairperson is elected by the board from the
7 membership. The board shall elect other officers as it deems
8 necessary."

9 SECTION 8. Section 237-24.7, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§237-24.7 Additional amounts not taxable.** In addition to
12 the amounts not taxable under section 237-24, this chapter shall
13 not apply to:

14 (1) Amounts received by the operator of a hotel from the
15 owner of the hotel or from a time share association,
16 and amounts received by the suboperator of a hotel
17 from the owner of the hotel, from a time share
18 association, or from the operator of the hotel, in
19 amounts equal to and which are disbursed by the
20 operator or suboperator for employee wages, salaries,
21 payroll taxes, insurance premiums, and benefits,



1 including retirement, vacation, sick pay, and health
2 benefits. As used in this paragraph:

3 "Employee" means employees directly engaged in
4 the day-to-day operation of the hotel and employed by
5 the operator or suboperator.

6 "Hotel" means an operation as defined in section
7 445-90 or a time share plan as defined in section
8 514E-1.

9 "Operator" means any person who, pursuant to a
10 written contract with the owner of a hotel or time
11 share association, operates or manages the hotel for
12 the owner or time share association.

13 "Owner" means the fee owner or lessee under a
14 recorded lease of a hotel.

15 "Suboperator" means any person who, pursuant to a
16 written contract with the operator, operates or
17 manages the hotel as a subcontractor of the operator.

18 "Time share association" means an "association"
19 as that term is defined in section 514E-1;

20 (2) Amounts received by the operator of a county
21 transportation system operated under an operating



1 contract with a political subdivision, where the
2 political subdivision is the owner of the county
3 transportation system. As used in this paragraph:

4 "County transportation system" means a mass
5 transit system of motorized buses providing regularly
6 scheduled transportation within a county.

7 "Operating contract" or "contract" means a
8 contract to operate and manage a political
9 subdivision's county transportation system, which
10 provides that:

11 (A) The political subdivision shall exercise
12 substantial control over all aspects of the
13 operator's operation;

14 (B) The political subdivision controls the
15 development of transit policy, service
16 planning, routes, and fares; and

17 (C) The operator develops in advance a draft
18 budget in the same format as prescribed for
19 agencies of the political subdivision. The
20 budget must be subject to the same
21 constraints and controls regarding the



1 lawful expenditure of public funds as any
2 public sector agency, and deviations from
3 the budget must be subject to approval by
4 the appropriate political subdivision
5 officials involved in the budgetary process.

6 "Operator" means any person who, pursuant to an
7 operating contract with a political subdivision,
8 operates or manages a county transportation system.

9 "Owner" means a political subdivision that owns
10 or is the lessee of all the properties and facilities
11 of the county transportation system (including buses,
12 real estate, parking garages, fuel pumps, maintenance
13 equipment, office supplies, etc.), and that owns all
14 revenues derived therefrom;

15 (3) Surcharge taxes on rental motor vehicles imposed by
16 chapter 251 and passed on and collected by persons
17 holding certificates of registration under that
18 chapter;

19 (4) Amounts received by the operator of orchard properties
20 from the owner of the orchard property in amounts
21 equal to and which are disbursed by the operator for



1 employee wages, salaries, payroll taxes, insurance
2 premiums, and benefits, including retirement,
3 vacation, sick pay, and health benefits. As used in
4 this paragraph:

5 "Employee" means an employee directly engaged in
6 the day-to-day operations of the orchard properties
7 and employed by the operator.

8 "Operator" means a producer who, pursuant to a
9 written contract with the owner of the orchard
10 property, operates or manages the orchard property for
11 the owner where the property contains an area
12 sufficient to make the undertaking economically
13 feasible.

14 "Orchard property" means any real property that
15 is used to raise trees with a production life cycle of
16 fifteen years or more producing fruits or nuts having
17 a normal period of development from the initial
18 planting to the first commercially saleable harvest of
19 not less than three years.

20 "Owner" means a fee owner or lessee under a
21 recorded lease of orchard property;



- 1 (5) Taxes on nursing facility income imposed by chapter
2 346E and passed on and collected by operators of
3 nursing facilities;
- 4 (6) Amounts received under property and casualty insurance
5 policies for damage or loss of inventory used in the
6 conduct of a trade or business located within the
7 State or a portion thereof that is declared a natural
8 disaster area by the governor pursuant to section 209-
9 2;
- 10 (7) Amounts received as compensation by community
11 organizations, school booster clubs, and nonprofit
12 organizations under a contract with the chief election
13 officer for the provision and compensation of precinct
14 officials and other election-related personnel,
15 services, and activities, pursuant to section 11-5;
- 16 (8) Interest received by a person domiciled outside the
17 State from a trust company (as defined in section
18 412:8-101) acting as payment agent or trustee on
19 behalf of the issuer or payees of an interest bearing
20 instrument or obligation, if the interest would not
21 have been subject to tax under this chapter if paid



1 directly to the person domiciled outside the State
2 without the use of a paying agent or trustee; provided
3 that if the interest would otherwise be taxable under
4 this chapter if paid directly to the person domiciled
5 outside the State, it shall not be exempt solely
6 because of the use of a Hawaii trust company as a
7 paying agent or trustee;

8 (9) Amounts received by a management company from related
9 entities engaged in the business of selling interstate
10 or foreign common carrier telecommunications services
11 in amounts equal to and which are disbursed by the
12 management company for employee wages, salaries,
13 payroll taxes, insurance premiums, and benefits,
14 including retirement, vacation, sick pay, and health
15 benefits. As used in this paragraph:

16 "Employee" means employees directly engaged in
17 the day-to-day operation of related entities engaged
18 in the business of selling interstate or foreign
19 common carrier telecommunications services and
20 employed by the management company.



1 "Management company" means any person who,
2 pursuant to a written contract with a related entity
3 engaged in the business of selling interstate or
4 foreign common carrier telecommunications services,
5 provides managerial or operational services to that
6 entity.

7 "Related entities" means:

8 (A) An affiliated group of corporations within
9 the meaning of section 1504 (with respect to
10 affiliated group defined) of the federal
11 Internal Revenue Code of 1986, as amended;

12 (B) A controlled group of corporations within
13 the meaning of section 1563 (with respect to
14 definitions and special rules) of the
15 federal Internal Revenue Code of 1986, as
16 amended;

17 (C) Those entities connected through ownership
18 of at least eighty per cent of the total
19 value and at least eighty per cent of the
20 total voting power of each such entity (or
21 combination thereof), including



1 partnerships, associations, trusts, S
2 corporations, nonprofit corporations,
3 limited liability partnerships, or limited
4 liability companies; and

5 (D) Any group or combination of the entities
6 described in paragraph (C) constituting a
7 unitary business for income tax purposes;

8 whether or not the entity is located within or without
9 the State or licensed under this chapter; and

10 (10) Amounts received as grants under section [~~206M-15.~~]

11 -3."

12 SECTION 9. Section 304A-1959, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[~~§~~304A-1959~~§~~] **Biennial report.** No later than twenty
15 days prior to the convening of the regular session of each odd-
16 numbered year, the University of Hawaii shall submit a report to
17 the legislature concerning:

18 (1) All funds deposited into the university innovation and
19 commercialization initiative special fund and a
20 detailed description of the use of those funds; and



1 (2) Coordinated efforts between the innovation and
2 commercialization initiative program and other state
3 agencies, including the [Hawaii] innovation and
4 technology [~~development~~] research corporation[, ~~the~~
5 ~~Hawaii strategic development corporation,~~] and the
6 Hawaii state energy office, to move the State's
7 innovation goals forward, and to more efficiently and
8 effectively utilize resources to achieve these
9 outcomes."

10 SECTION 10. Section 304A-3101, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) The center shall assist the State's Hawaii innovation
13 and technology [~~development~~] research corporation in its
14 efforts, shall promote educational, scientific, technological,
15 and literary pursuits in the area of high technology, and shall
16 provide support for the high technology industry in Hawaii in
17 the following manner:

18 (1) By fostering scientific and technological interchange
19 between students and scholars of the United States and
20 other nations;



1 (2) By encouraging, initiating, aiding, developing, and
2 conducting scientific investigations and research in
3 high technology;

4 (3) By encouraging and aiding in the education and
5 training of persons from the United States and other
6 nations for the conduct of such investigations,
7 research, and study;

8 (4) By assisting in the dissemination of knowledge by
9 establishing, aiding, and maintaining professorships
10 or other staff positions, fellowships, scholarships,
11 publications, and lectures;

12 (5) By other means to make the benefits of investigations,
13 research, and study available to the public; and

14 (6) By any and all other acts reasonably designed to
15 further the above purposes in the interest of
16 promoting the general welfare of the people of the
17 State and the mutual understanding between the United
18 States and other nations."

19 SECTION 11. Section 394-8, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:



"(b) The department shall utilize the resources of the University of Hawaii, including the community college system, the Hawaii innovation and technology [~~development~~] research corporation, and other educational and training resources in the public and private sectors throughout the State as may be appropriate to be used to provide preemployment or employment training or on-the-job training for local residents hired by businesses relocating to Hawaii or expanding their local operations. Training may include, but not be limited to, training in entrepreneurship, capital formation, start-up, and business plans. The department may contract for these training needs from public agencies including the various University of Hawaii campuses, private educational institutions, nonprofit corporations, or private entities in order to provide the required training."

PART IV

SECTION 12. Chapter 206M, Hawaii Revised Statutes, is repealed.

SECTION 13. All rights, powers, functions, and duties of the Hawaii technology development corporation are transferred to the Hawaii innovation and technology research corporation.



1 All employees who occupy civil service positions and whose
2 functions are transferred to the Hawaii innovation and
3 technology research corporation by this Act shall retain their
4 civil service status, whether permanent or temporary. Employees
5 shall be transferred without loss of salary, seniority (except
6 as prescribed by applicable collective bargaining agreements),
7 retention points, prior service credit, any vacation and sick
8 leave credits previously earned, and other rights, benefits, and
9 privileges, in accordance with state personnel laws and this
10 Act; provided that the employees possess the minimum
11 qualifications and public employment requirements for the class
12 or position to which transferred or appointed, as applicable;
13 provided further that subsequent changes in status may be made
14 pursuant to applicable civil service and compensation laws.

15 Any employee who, prior to this Act, is exempt from civil
16 service and is transferred as a consequence of this Act may
17 retain the employee's exempt status, but shall not be appointed
18 to a civil service position as a consequence of this Act. An
19 exempt employee who is transferred by this Act shall not suffer
20 any loss of prior service credit, vacation or sick leave credits
21 previously earned, or other employee benefits or privileges as a



1 consequence of this Act; provided that the employees possess
2 legal and public employment requirements for the position to
3 which transferred or appointed, as applicable; provided further
4 that subsequent changes in status may be made pursuant to
5 applicable employment and compensation laws. The president and
6 chief executive officer may prescribe the duties and
7 qualifications of these employees and fix their salaries without
8 regard to chapter 76, Hawaii Revised Statutes.

9 SECTION 14. All appropriations, records, equipment,
10 machines, files, supplies, contracts, books, papers, documents,
11 maps, and other personal property heretofore made, used,
12 acquired, or held by the Hawaii technology development
13 corporation relating to the functions transferred to the Hawaii
14 innovation and technology research corporation shall be
15 transferred with the functions to which they relate.

16 SECTION 15. All rules, policies, procedures, guidelines,
17 and other materials adopted or developed by the Hawaii
18 technology development corporation to implement provisions of
19 the Hawaii Revised Statutes which are made applicable to the
20 Hawaii innovation and technology research corporation by this
21 Act, shall remain in full force and effect until amended or



1 repealed by the department of business, economic development and
2 tourism pursuant to chapter 91, Hawaii Revised Statutes. In the
3 interim, every reference to the Hawaii technology development
4 corporation in those rules, policies, procedures, guidelines,
5 and other material is amended to refer to the Hawaii innovation
6 and technology research corporation as appropriate.

7 SECTION 16. All deeds, leases, contracts, loans,
8 agreements, permits, or other documents executed or entered into
9 by or on behalf of the Hawaii technology development corporation
10 pursuant to the provisions of the Hawaii Revised Statutes, which
11 are made applicable to the Hawaii innovation and technology
12 research corporation by this Act, shall remain in full force and
13 effect. Upon the effective date of this Act, every reference to
14 the Hawaii technology development corporation therein shall be
15 construed as a reference to the Hawaii innovation and technology
16 research corporation as appropriate.

17 PART V

18 SECTION 17. Chapter 211F, Hawaii Revised Statutes, is
19 repealed.



1 SECTION 18. All rights, powers, functions, and duties of
2 the Hawaii strategic development corporation are transferred to
3 the Hawaii innovation and technology research corporation.

4 All employees who occupy civil service positions and whose
5 functions are transferred to the Hawaii innovation and
6 technology research corporation by this Act shall retain their
7 civil service status, whether permanent or temporary. Employees
8 shall be transferred without loss of salary, seniority (except
9 as prescribed by applicable collective bargaining agreements),
10 retention points, prior service credit, any vacation and sick
11 leave credits previously earned, and other rights, benefits, and
12 privileges, in accordance with state personnel laws and this
13 Act; provided that the employees possess the minimum
14 qualifications and public employment requirements for the class
15 or position to which transferred or appointed, as applicable;
16 provided further that subsequent changes in status may be made
17 pursuant to applicable civil service and compensation laws.

18 Any employee who, prior to this Act, is exempt from civil
19 service and is transferred as a consequence of this Act may
20 retain the employee's exempt status, but shall not be appointed
21 to a civil service position as a consequence of this Act. An



1 exempt employee who is transferred by this Act shall not suffer
2 any loss of prior service credit, vacation or sick leave credits
3 previously earned, or other employee benefits or privileges as a
4 consequence of this Act; provided that the employees possess
5 legal and public employment requirements for the position to
6 which transferred or appointed, as applicable; provided further
7 that subsequent changes in status may be made pursuant to
8 applicable employment and compensation laws. The president and
9 chief executive officer may prescribe the duties and
10 qualifications of these employees and fix their salaries without
11 regard to chapter 76, Hawaii Revised Statutes.

12 SECTION 19. All appropriations, records, equipment,
13 machines, files, supplies, contracts, books, papers, documents,
14 maps, and other personal property heretofore made, used,
15 acquired, or held by the Hawaii strategic development
16 corporation relating to the functions transferred to the Hawaii
17 innovation and technology research corporation shall be
18 transferred with the functions to which they relate.

19 SECTION 20. All rules, policies, procedures, guidelines,
20 and other materials adopted or developed by the Hawaii strategic
21 development corporation to implement provisions of the Hawaii



1 Revised Statutes which are made applicable to the Hawaii
2 innovation and technology research corporation by this Act,
3 shall remain in full force and effect until amended or repealed
4 by the department of business, economic development, and tourism
5 pursuant to chapter 91, Hawaii Revised Statutes. In the
6 interim, every reference to the Hawaii strategic development
7 corporation in those rules, policies, procedures, guidelines,
8 and other material is amended to refer to the Hawaii innovation
9 and technology research corporation as appropriate.

10 SECTION 21. All deeds, leases, contracts, loans,
11 agreements, permits, or other documents executed or entered into
12 by or on behalf of the Hawaii strategic development corporation
13 pursuant to the provisions of the Hawaii Revised Statutes, which
14 are made applicable to the Hawaii innovation and technology
15 research corporation by this Act, shall remain in full force and
16 effect. Upon the effective date of this Act, every reference to
17 the Hawaii strategic development corporation therein shall be
18 construed as a reference to the Hawaii innovation and technology
19 research corporation as appropriate.



PART VI

SECTION 22. Act 49, Session Laws of Hawaii 2017, is amended by amending section 3, Item A-19 to read as follows:

"19. BED143 - [HIGH] <u>HAWAII</u> TECHNOLOGY DEVELOPMENT CORPORATION			
		1.50*	1.50*
		3.75#	3.75#
OPERATING	BED	4,085,439A	1,085,439A
		1.50*	[1.50*]
			0.0*
		6.25#	[6.25#]
			0.0#
	BED	3,858,345B	[3,898,345B]
			0B
	BED	1,500,000W	1,500,000W
		9.00#	9.00#
	BED	964,713P	964,713P"

SECTION 23. There is appropriated out of the general revenues of the State of Hawaii the sum of \$370,410 or so much thereof as may be necessary for fiscal year 2018-2019 for personal services to convert 1.50 permanent positions and 6.25 temporary positions in the Hawaii technology development corporation (BED143/TE) from special funds to general funds.

The sum appropriated shall be expended by the Hawaii technology development corporation for the purposes of this part.

SECTION 24. There is appropriated out of the general revenues of the State of Hawaii the sum of \$123,446 or so much thereof as may be necessary for fiscal year 2018-2019 for other



1 current expenses for the Hawaii technology development
2 corporation (BED143/TE).

3 The sum appropriated shall be expended by the Hawaii
4 technology development corporation for the purposes of this
5 part.

6 SECTION 25. Any unencumbered balances remaining in the
7 technology special fund shall lapse to the credit of the general
8 fund.

9 PART VII

10 SECTION 26. If any provision of this Act, or the
11 application thereof to any person or circumstance, is held
12 invalid, the invalidity does not affect other provisions or
13 applications of the Act that can be given effect without the
14 invalid provision or application, and to this end the provisions
15 of this Act are severable.

16 SECTION 27. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 28. This Act shall take effect on July 1, 2020;
19 provided that part VI shall take effect on July 1, 2018.



Report Title:

Hawaii Innovation and Technology Research Corporation; Hawaii Technology Development Corporation; Hawaii Strategic Development Corporation; Department of Business, Economic Development and Tourism;

Description:

Creates the Hawaii Innovation and Technology Research Corporation on July 1, 2020, and transfers the rights, powers, functions, duties, and employees of the Hawaii Technology Development Corporation (HTDC) and the Hawaii Strategic Development Corporation to the Hawaii Innovation and Technology Research Corporation. Provides funding on July 1, 2018, to HTDC to convert positions from special funds to general funds and for fiscal year expenses. (SB48 HD2)

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

