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# A BILL FOR AN ACT

RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY.

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

1 SECTION 1. The purpose of this Act is to authorize the  
2 natural energy laboratory of Hawaii authority to acquire, hold,  
3 and sell qualified securities in the business of a tenant or  
4 prospective tenant of the authority.

5 SECTION 2. Section 227D-1, Hawaii Revised Statutes, is  
6 amended by adding a new definition to be appropriately inserted  
7 and to read as follows:

8 "Qualified security" means any note, stock, treasury  
9 stock, bond, evidence of indebtedness, certificate of interest  
10 or participation in any profit-sharing agreement including but  
11 not limited to limited liability company agreement,  
12 preorganization certificate of subscription, transferable share,  
13 investment contract, certificate of deposit for a security,  
14 certificate of interest or participation in a patent or patent  
15 application, or in royalty, or other investment commonly known  
16 as a "security", or any certificate for, receipt for, or option,  
17 warrant, or right to subscribe to or purchase any of the  
18 foregoing."



1 SECTION 3. Section 227D-3, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "**§227D-3 Powers of the authority.** The authority may:

- 4 (1) Sue and be sued;
- 5 (2) Have a seal and alter the same at its pleasure;
- 6 (3) Promote the use of the geothermal energy and natural  
7 resources sites for the purposes provided by law;
- 8 (4) Through its executive director appoint officers,  
9 agents, and employees without regard to chapter 76 and  
10 to establish the salaries therefor;
- 11 (5) Adopt rules under chapter 91 necessary to effectuate  
12 this chapter in connection with its operation,  
13 facilities, parks, properties, and projects;
- 14 (6) Make, execute, enter into, amend, supplement, and  
15 carry out contracts and all other instruments  
16 necessary or convenient for the exercise of its powers  
17 and functions under this chapter with any private  
18 person, firm, partnership, association, company, or  
19 corporation only as it may be necessary in the conduct  
20 of its business and on such terms as it may deem  
21 appropriate; provided that the authority shall not  
22 obligate any funds of the State except as have been



1           appropriated to it. Notwithstanding the foregoing,  
2           the authority may enter into and perform such  
3           contracts, leases, cooperative agreements, or other  
4           transactions with any agency or instrumentality of the  
5           United States, a foreign nation, a state, a territory,  
6           or a possession, or with any political subdivision  
7           thereof;

8           (7) Accept, hold, or expend gifts or grants in any form  
9           from any public agency or private source, or from any  
10          other source;

11          (8) Impose and collect fees pertaining to the use of  
12          properties and facilities of the authority;

13          (9) Formulate budgets to provide for the operation of the  
14          facilities of the authority;

15          (10) Submit an annual report to the governor and the  
16          legislature at least twenty days prior to the  
17          convening of each regular session;

18          (11) Acquire, own, lease, hold, clear, improve, and  
19          rehabilitate real, personal, or mixed property and  
20          assign, exchange, transfer, convey, lease, sublease,  
21          or encumber any project including by way of easements;



- 1           (12) Construct, reconstruct, rehabilitate, improve, alter,  
2                    or repair, or provide for the construction,  
3                    reconstruction, rehabilitation, improvement,  
4                    alteration, or repair of any project and designate a  
5                    qualified person as its agent for this purpose, and  
6                    own, hold, assign, transfer, convey, exchange, lease,  
7                    sublease, or encumber any project;
- 8           (13) Arrange or initiate appropriate action for the  
9                    planning, replanning, opening, grading, or closing of  
10                   streets, roads, roadways, alleys, easements, or other  
11                   places, the furnishings or improvements, the  
12                   acquisition of property or property rights, or the  
13                   furnishing of property or services in connection with  
14                   a research and technology park;
- 15           (14) Prepare or cause to be prepared plans, specifications,  
16                    designs, and estimates of cost for the construction,  
17                    reconstruction, rehabilitation, improvement,  
18                    alteration, or repair of any project or research and  
19                    technology park, and from time to time, modify these  
20                    plans, specifications, designs, or estimates;



- 1           (15) Engage the services of consultants on a contractual  
2           basis for rendering professional and technical  
3           assistance and advice;
- 4           (16) Procure insurance against any loss in connection with  
5           its properties and other assets and operations in  
6           amounts and from insurers as it deems desirable;
- 7           (17) Issue bonds pursuant to this chapter in principal  
8           amounts as may be authorized from time to time by law  
9           to finance the cost of a project, including the repair  
10          or addition to its parks and facilities as authorized  
11          by law and to provide for the security thereof as  
12          permitted by this chapter;
- 13          (18) Lend or otherwise apply the proceeds of the bonds  
14          issued for a project or a research and technology park  
15          either directly or through a trustee or a qualified  
16          person for use and application in the acquisition,  
17          construction, installation, or modification of a  
18          project or research and technology park, or agree with  
19          the qualified person whereby any of these activities  
20          shall be undertaken or supervised by that qualified  
21          person or by a person designated by the qualified  
22          person;



- 1           (19) With or without terminating a project agreement,  
2                   exercise any and all rights provided by law for entry  
3                   and re-entry upon or to take possession of a project  
4                   at any time or from time to time upon breach or  
5                   default by a qualified person under a project  
6                   agreement;
- 7           (20) Create an environment that supports appropriate  
8                   natural resource utilization and results in economic  
9                   development, including: supporting research projects  
10                  and facilitating the transition from research and  
11                  development to pilot scale and then to full commercial  
12                  operation of companies utilizing the natural resources  
13                  available at the research and technology parks;  
14                  developing educational and conservation programs;  
15                  supporting commercialization of the natural resources  
16                  available at the research and technology parks[7] if  
17                  the commercialization is compatible with the research,  
18                  development, and other retail, commercial, and tourism  
19                  activities of the research and technology parks;  
20                  identifying issues and impediments to the development  
21                  of natural resource utilization; and providing policy



1 analysis and information important to the development  
2 of natural resource utilization in Hawaii;

3 (21) Develop programs that support projects and companies  
4 [~~which~~] that locate at the research and technology  
5 parks;

6 (22) Acquire, hold, and sell qualified securities in the  
7 business of a tenant or prospective tenant of the  
8 authority;

9 [~~(22)~~] (23) Attract appropriate new uses of the natural  
10 resources in Hawaii, including retail, commercial, and  
11 tourism activities; and

12 [~~(23)~~] (24) Do any or all other acts reasonably necessary to  
13 carry out the purposes of the authority."

14 SECTION 4. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

Natural Energy Laboratory of Hawaii Authority

**Description:**

Authorizes the Natural Energy Laboratory of Hawaii authority to acquire, hold, and sell qualified securities in businesses of the Authority's tenants or prospective tenants. (HB194 HD1)

