

STAND. COM. REP. NO.

2778

Honolulu, Hawaii

MAR 19 2010

RE: H.B. No. 2831
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Economic Development and Technology, to which was referred H.B. No. 2831, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the Natural Energy Laboratory of Hawaii Authority (NELHA) to acquire, hold, and sell qualified securities subject to certain conditions; and to accept donations of money, property, and services; and
- (2) Require the NELHA annual report to include information on these matters.

Testimony in support of this measure was submitted by the Natural Energy Laboratory of Hawaii Authority.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that currently, the NELHA statutes do not authorize NELHA to hold equity securities such as stocks, warrants, options, or instruments convertible into equity securities, a provision that NELHA views as necessary in conducting its business activities. Your Committee understands



that there have been several past occasions when tenants conveyed equity to NELHA in payment of accounts owed, and NELHA then sold the shares to recoup its expenses. Recently, however, NELHA has been informed by the Department of the Attorney General that since NELHA does not have this statutory authority to hold equity securities, it could be sued if it did accept such securities. This measure will remedy the situation and assist NELHA in meeting its economic goals and obligations.

Your Committee has amended this measure by making technical nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2831, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2831, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Technology,

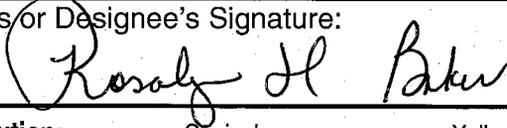


CAROL FUKUNAGA, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:* HB 2831 HD2	Committee Referral: EDT, NAM	Date: 3-17-2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
BAKER, Rosalyn H. (VC)	✓			
HEE, Clayton				✓
IGE, David Y.	✓			
SLOM, Sam	✓			
TOTAL	4	—	—	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes