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# 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



resources directly to the high technology development corporation; and

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

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

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

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

**"PART . HIGH TECHNOLOGY INNOVATION CORPORATION**

**§206M-A Establishment of the high technology innovation corporation; purpose.** (a) There is established, as a body corporate, the high technology innovation corporation. The high technology innovation corporation shall be a public, not-for-profit organization under section 501(c)(3) of the Internal 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 ten 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 and development corporation;

7 (7) The energy administrator of the Hawaii state energy  
8 office;

9 (8) The administrator of the Hawaii state procurement  
10 office;

11 (9) One private business sector member to be appointed by  
12 the speaker of the house of representatives; and

13 (10) One private business sector member to be appointed by  
14 the president of the senate.

15 (b) All members of the high technology innovation  
16 corporation's board shall serve without pay, but shall be  
17 entitled to reimbursement for necessary expenses, including  
18 travel expenses, while attending meetings and while in the  
19 discharge of duties and responsibilities.



1 (c) The executive director and chief executive officer of  
2 the high technology development corporation shall serve as the  
3 chairperson of the board.

4 **§206M-C Powers of the board.** The high technology  
5 innovation corporation, under the direction of its board of  
6 directors, shall have the following general powers:

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

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

15 (3) To enter into and perform contracts, leases,  
16 cooperative agreements, or other transactions with the  
17 high technology development corporation or any other  
18 agency or political subdivision of the State, any  
19 private person, firm, partnership, association,  
20 company, or corporation, only as it may be necessary  
21 in the conduct of its business and on terms as it may



1        deem appropriate; provided that the high technology  
2        innovation corporation shall not obligate any funds of  
3        the State except funds that have been appropriated to  
4        it by the legislature or transferred or contracted to  
5        it by the high technology development corporation or  
6        other agency or department of the state government.  
7        Notwithstanding the foregoing, the high technology  
8        innovation corporation may enter into and perform  
9        contracts, leases, cooperative agreements, or other  
10       transactions with any agency or instrumentality of the  
11       United States, a foreign nation, a state, a territory  
12       or a possession, or with 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 contracts, leases,  
18       cooperative agreements, or other transactions are  
19       being entered into; provided that the high technology  
20       innovation corporation shall not obligate any funds of





1 the State except funds that have been appropriated or  
2 transferred to it or contracted for it;

3 (4) To receive by gifts, grants, devises, bequests, or  
4 otherwise, from private sources only, any property,  
5 real, personal, or mixed, intangible or tangible,  
6 absolutely or in trust, to be used and disposed of,  
7 either the principal or the income therefrom, in  
8 accordance with the conditions under which it was  
9 received; provided that no gift to the high technology  
10 innovation corporation shall be accepted unless  
11 approved or confirmed by its board of directors.

12 Notwithstanding the foregoing, the high technology  
13 innovation corporation may receive gifts, grants, or  
14 awards from any agency or instrumentality of the  
15 United States, a foreign nation, a state, a territory  
16 or a possession, or from any political subdivision  
17 thereof, whenever the donating or granting agency or  
18 instrumentality determines that the high technology  
19 development corporation or any other agency of the  
20 State cannot as effectively and efficiently accomplish  
21 the purposes for which the gifts, grants, or awards



1 are being made; provided that no gift to the high  
2 technology innovation corporation shall be accepted  
3 unless approved or confirmed by its board of  
4 directors;

5 (5) To have a corporate seal;

6 (6) To sue and be sued in its own name;

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

9 (8) To apply for, take out, receive by purchase or gift,  
10 hold, administer, and dispose of copyrights, patent  
11 rights, licenses, assignments of inventions,  
12 discoveries, processes, and other property, rights or  
13 interests therein, and the income thereof, absolutely  
14 or subject to conditions or trusts as may be attached  
15 thereto or be imposed thereon, and to obligate itself  
16 to perform and execute any and all conditions or  
17 trusts;

18 (9) To conduct programs, projects, research, studies,  
19 experiments, investigations, and tests in all fields  
20 of knowledge; to promote and develop the scientific  
21 and commercial value of inventions, discoveries, and



1 processes; and to make, publish, and distribute the  
2 results thereof;

3 (10) To coordinate and correlate activities and projects of  
4 the high technology innovation corporation with the  
5 work of state agencies for the purpose of relating  
6 research work to the economic development of the State  
7 whenever practical or desirable;

8 (11) To stimulate and promote cooperative research projects  
9 and activities;

10 (12) To establish and maintain, or to assist in  
11 establishing and maintaining staff positions for the  
12 purpose of aiding in technology-based economic  
13 development, and to enter into agreements or contracts  
14 with other corporations, organizations, institutions,  
15 or persons for this purpose and to pay the necessary  
16 and appropriate expenses therefor;

17 (13) To prepare, print, or publish any manuscript, research  
18 article, report, study, discussion, reference,  
19 collection, or any pictorial or schematic  
20 representation or group or collection thereof, whether  
21 the same belongs to or is the work of any state agency



1 or its employees, or the high technology innovation  
2 corporation or its employees or a contractor of the  
3 high technology innovation corporation. The printing  
4 or publication may be accomplished through whatever  
5 person, company, or agency is deemed most appropriate  
6 by the board of directors;

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

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

17 **§206M-D Innovation corporation; exempted from certain**  
18 **state laws.** The high technology innovation corporation shall be  
19 exempt from the following state laws:

20 (1) Section 78-1, relating to public employment;

21 (2) Chapter 36, relating to the management of state funds;



(3) Chapter 38, relating to deposits of public funds;

(4) Chapter 76, relating to civil service; and

(5) Chapter 103D, relating to the Hawaii public  
procurement code.

**§206M-E Officers and employees of the innovation**

**corporation.** The high technology innovation corporation's board of directors shall select the president of the high technology innovation corporation and may also appoint other officers and employees as may be necessary in administering the affairs of the high technology innovation corporation. The high technology innovation corporation's board of directors shall set the employees' duties, responsibilities, salaries, holidays, vacations, leaves, hours of work, and working conditions and may grant other benefits as it deems necessary. New employees of the innovation corporation shall not be entitled to any benefits conferred under chapter 76, 78, 88, or 89, or any public employee collective bargaining agreement, executive order, executive directive, or rule; provided that any existing officer or employee of the State whose functions are transferred by this part shall not suffer any loss of salary, seniority, prior



1 service credit, vacation, sick leave, or other employee benefit  
2 or privilege as a consequence of this part.

3 **§206M-F Annual report.** The high technology innovation  
4 corporation shall submit an annual report, not later than twenty  
5 days prior to the convening of each regular session, to the  
6 governor, president of the senate, and speaker of the house of  
7 representatives. The report shall include but not be limited to  
8 the high technology innovation corporation's audited financial  
9 statement, total amount of payroll and other disbursements made,  
10 and progress and accomplishments made during the year.

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

18 **§206M-H Patents, copyrights, and other rights.** Any  
19 patents, copyrights, inventions, discoveries, or other rights  
20 arising from high technology innovation corporation activities  
21 shall belong to the high technology innovation corporation and



1 be subject to policies or rules as the high technology  
2 innovation corporation board of directors may adopt.

3       **§206M-I Contracts with state agencies.** Any contract  
4 between the high technology innovation corporation and any  
5 agency, office, department, or other administrative subdivision  
6 of the executive branch of the State shall include the  
7 following:

8       (1) Its termination date;

9       (2) Its intent and purpose;

10       (3) A statement establishing the full permissible extent  
11 of its applicability; and

12       (4) A description of the circumstances under which it may  
13 be amended or extended."

14       SECTION 3. In codifying the new sections added by section  
15 2 of this Act, the revisor of statutes shall substitute  
16 appropriate section numbers for the letters used in designating  
17 the new sections in this Act.

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



**Report Title:**

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

**Description:**

Reestablishes the high technology innovation corporation. (SD1)

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

