
A BILL FOR AN ACT

RELATING TO TECHNOLOGY INNOVATION.

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

1 SECTION 1. Chapter 206M, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 **"PART . TECHNOLOGY INNOVATION CORPORATION**

5 **§206M-A Establishment of the technology innovation**
6 **corporation; purpose.** (a) There is established, as a body
7 corporate, the technology innovation corporation. The
8 technology innovation corporation shall be a public body
9 corporate and politic and an instrumentality and agency of the
10 State. The technology innovation corporation shall be attached
11 to the high technology development corporation for
12 administrative purposes.

13 (b) The purpose of the technology innovation corporation
14 shall include but not be limited to the facilitation of the
15 growth and development of the commercial high technology
16 industry in Hawaii. Its duties shall include but not be limited
17 to:



1 (1) Planning, creating, and implementing any programs and
2 projects of the development corporation that are
3 assigned to the technology innovation corporation,
4 including federally- and state-funded programs and
5 projects and those programs funded by other nonprofit
6 and for-profit organizations;

7 (2) Identifying and obtaining funding and other resources
8 in support of the purposes of the technology
9 innovation corporation and the development corporation
10 from agencies and organizations not able to provide
11 resources directly to the development corporation;

12 (3) Assisting the development corporation in the promotion
13 and marketing of Hawaii as a location for commercial
14 high technology activity; and

15 (4) Assisting the development corporation in any other
16 strategic or operational manner that supports the
17 State's technology-based economic development
18 activities.

19 (c) The technology innovation corporation shall implement
20 this purpose by:



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

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

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

The technology innovation corporation shall have the sole right to provide the foregoing services and support to the development corporation, and the development corporation shall use the technology innovation corporation to provide these services and support in every case, except when the development corporation determines that the technology innovation corporation may not or cannot legally or operationally provide these services and support.

§206M-B Board of directors; composition. (a) The affairs of the technology innovation corporation shall be under the general management and control of a board of directors. The



1 board of directors shall consist of the following eight voting
2 members:

3 (1) The executive director and chief executive officer of
4 the high technology development corporation, as an ex
5 officio member; and

6 (2) Seven members appointed by the governor;
7 provided that all non ex officio members shall be appointed on
8 the basis of their knowledge, interest, and proven expertise in,
9 but not limited to one or more of the following fields:

10 finance, commerce and trade, corporate management, marketing,
11 economics, engineering, information technology and
12 telecommunications, life sciences, and other high technology
13 fields. All non ex officio members shall serve for a term of
14 four years, except that half of those initially appointed may
15 have reduced terms in accordance with section 26-34 so as to
16 provide, as nearly as can be, for the expiration of an equal
17 number of terms at intervals of one year, with each term
18 commencing on July 1 and expiring on June 30.

19 (b) All members of the technology innovation corporation's
20 board shall serve without pay but shall be entitled to
21 reimbursement for necessary expenses, including travel expenses,



1 while attending meetings and while in the discharge of duties
2 and responsibilities.

3 (c) The members of the technology innovation corporation's
4 board shall elect the chairperson of the board.

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

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

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

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



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



1 appropriated or transferred to it or contracted for
2 it;

3 (4) To receive by gifts, grants, devises, bequests, or
4 other awards 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 technology
10 innovation corporation shall be accepted unless
11 approved or confirmed by its board of directors.

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



1 gifts, grants, devises, bequests, or other awards are
2 being made; provided that no such receipt of moneys to
3 the technology innovation corporation shall be
4 accepted unless approved or confirmed by its board of
5 directors;

6 (5) To have a corporate seal;

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

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

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

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



1 and commercial value of inventions, discoveries, and
2 processes; and to make, publish, and distribute the
3 results thereof;

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

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

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

18 (13) To prepare, print, or publish any manuscript, research
19 article, report, study, discussion, reference,
20 collection, or any pictorial or schematic
21 representation or group or collection thereof, whether



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

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

11 **§206M-D Technology innovation corporation; exempt from**
12 **certain state laws.** To carry out the purposes and objectives of
13 this part, the technology innovation corporation shall be
14 granted flexibility in hiring its personnel and in handling and
15 disbursing moneys by being exempt from the following state laws
16 in the Hawaii Revised Statutes:

- 17 (1) Sections 36-27 and 36-30, relating to special fund
18 reimbursements to the state general fund;
19 (2) Section 78-1, relating to public employment; and
20 (3) Chapter 76, relating to civil service.



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



1 **§206M-F Annual report.** The technology innovation
2 corporation shall submit an annual report no later than twenty
3 days prior to the convening of each regular session of the
4 legislature, to the governor, president of the senate, and
5 speaker of the house of representatives. The report shall
6 include but not be limited to the technology innovation
7 corporation's audited financial statement, total amount of
8 payroll and other disbursements made, and progress and
9 accomplishments made during the year.

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

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



1 **§206M-I Contracts with state agencies.** Any contract
2 between the technology innovation corporation and any agency,
3 office, department, or other administrative subdivision of the
4 executive branch of the State shall include the following:

5 (1) Its termination date;

6 (2) Its intent and purpose;

7 (3) A statement establishing the full permissible extent
8 of its applicability; and

9 (4) A description of the circumstances under which it may
10 be amended or extended.

11 **§206M-J Technology innovation corporation special fund;**
12 **established.** (a) There is established in the state treasury a
13 fund to be known as the technology innovation corporation
14 special fund, into which shall be deposited appropriations by
15 the legislature.

16 (b) Moneys in the special fund shall be used for the
17 duties and purposes of the technology innovation corporation
18 pursuant to section 206M-A."

19 SECTION 2. Section 36-27, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) Except as provided in this section, and
2 notwithstanding any other law to the contrary, from time to
3 time, the director of finance, for the purpose of defraying the
4 prorated estimate of central service expenses of government in
5 relation to all special funds, except the:

6 (1) Special out-of-school time instructional program fund
7 under section 302A-1310;

8 (2) School cafeteria special funds of the department of
9 education;

10 (3) Special funds of the University of Hawaii;

11 (4) State educational facilities improvement special fund;

12 (5) Convention center enterprise special fund under
13 section 201B-8;

14 (6) Special funds established by section 206E-6;

15 (7) Aloha Tower fund created by section 206J-17;

16 (8) Funds of the employees' retirement system created by
17 section 88-109;

18 (9) Hawaii hurricane relief fund established under chapter
19 431P;

20 (10) Hawaii health systems corporation special funds and
21 the subaccounts of its regional system boards;



- 1 (11) Tourism special fund established under section
2 201B-11;
- 3 (12) Universal service fund established under section
4 269-42;
- 5 (13) Emergency and budget reserve fund under section
6 328L-3;
- 7 (14) Public schools special fees and charges fund under
8 section 302A-1130;
- 9 (15) Sport fish special fund under section 187A-9.5;
- 10 [+](16) [+](16) Neurotrauma special fund under section 321H-4;
- 11 [+](17) [+](17) Glass advance disposal fee established by section
12 342G-82;
- 13 [+](18) [+](18) Center for nursing special fund under section
14 304A-2163;
- 15 [+](19) [+](19) Passenger facility charge special fund established by
16 section 261-5.5;
- 17 [+](20) [+](20) Solicitation of funds for charitable purposes special
18 fund established by section 467B-15;
- 19 [+](21) [+](21) Land conservation fund established by section 173A-5;
- 20 [+](22) [+](22) Court interpreting services revolving fund under
21 section 607-1.5;



1 [+] (23) [+] Trauma system special fund under section 321-22.5;
2 [+] (24) [+] Hawaii cancer research special fund;
3 [+] (25) [+] Community health centers special fund;
4 [+] (26) [+] Emergency medical services special fund;
5 [+] (27) [+] Rental motor vehicle customer facility charge special
6 fund established under section 261-5.6;
7 [+] (28) [+] Shared services technology special fund under section
8 27-43;
9 [+] (29) [+] Automated victim information and notification system
10 special fund established under section 353-136;
11 [+] (30) [+] Deposit beverage container deposit special fund under
12 section 342G-104;
13 [+] (31) [+] Hospital sustainability program special fund under
14 [+] section 346G-4 [+];
15 [+] (32) [+] Nursing facility sustainability program special fund
16 under [+] section 346F-4 [+];
17 [+] (33) [+] Hawaii 3R's school improvement fund under section
18 302A-1502.4;
19 [+] (34) [+] After-school plus program revolving fund under section
20 302A-1149.5; [and]



1 [+] (35) [+] Civil monetary penalty special fund under section

2 321-30.2[7]; and

3 (36) Technology innovation corporation special fund under

4 section 206M-J,

5 shall deduct five per cent of all receipts of all other special
6 funds, which deduction shall be transferred to the general fund
7 of the State and become general realizations of the State. All
8 officers of the State and other persons having power to allocate
9 or disburse any special funds shall cooperate with the director
10 in effecting these transfers. To determine the proper revenue
11 base upon which the central service assessment is to be
12 calculated, the director shall adopt rules pursuant to chapter
13 91 for the purpose of suspending or limiting the application of
14 the central service assessment of any fund. No later than
15 twenty days prior to the convening of each regular session of
16 the legislature, the director shall report all central service
17 assessments made during the preceding fiscal year."

18 SECTION 3. Section 36-30, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) Each special fund, except the:



- 1 (1) Special out-of-school time instructional program fund
- 2 under section 302A-1310;
- 3 (2) School cafeteria special funds of the department of
- 4 education;
- 5 (3) Special funds of the University of Hawaii;
- 6 (4) State educational facilities improvement special fund;
- 7 (5) Special funds established by section 206E-6;
- 8 (6) Aloha Tower fund created by section 206J-17;
- 9 (7) Funds of the employees' retirement system created by
- 10 section 88-109;
- 11 (8) Hawaii hurricane relief fund established under chapter
- 12 431P;
- 13 (9) Convention center enterprise special fund established
- 14 under section 201B-8;
- 15 (10) Hawaii health systems corporation special funds and
- 16 the subaccounts of its regional system boards;
- 17 (11) Tourism special fund established under section
- 18 201B-11;
- 19 (12) Universal service fund established under section
- 20 269-42;



- 1 (13) Emergency and budget reserve fund under section
2 328L-3;
- 3 (14) Public schools special fees and charges fund under
4 section 302A-1130;
- 5 (15) Sport fish special fund under section 187A-9.5;
- 6 [+](16) [+](16) Neurotrauma special fund under section 321H-4;
- 7 [+](17) [+](17) Center for nursing special fund under section
8 304A-2163;
- 9 [+](18) [+](18) Passenger facility charge special fund established by
10 section 261-5.5;
- 11 [+](19) [+](19) Court interpreting services revolving fund under
12 section 607-1.5;
- 13 [+](20) [+](20) Trauma system special fund under section 321-22.5;
- 14 [+](21) [+](21) Hawaii cancer research special fund;
- 15 [+](22) [+](22) Community health centers special fund;
- 16 [+](23) [+](23) Emergency medical services special fund;
- 17 [+](24) [+](24) Rental motor vehicle customer facility charge special
18 fund established under section 261-5.6;
- 19 [+](25) [+](25) Shared services technology special fund under section
20 27-43;



[+] (26) [+] Nursing facility sustainability program special fund
established pursuant to [+] section 346F-4 [+] ;

[+] (27) [+] Automated victim information and notification system
special fund established under section 353-136;

[+] (28) [+] Hospital sustainability program special fund under
[+] section 346G-4 [+] ; [and]

[+] (29) [+] Civil monetary penalty special fund under section
321-30.2 [7] ; and

(30) Technology innovation corporation special fund under
section 206M-J,

shall be responsible for its pro rata share of the
administrative expenses incurred by the department responsible
for the operations supported by the special fund concerned."

SECTION 4. There is appropriated out of the general
revenues of the State of Hawaii the sum of \$200,000 or so much
thereof as may be necessary for fiscal year 2017-2018 and the
same sum or so much thereof as may be necessary for fiscal year
2018-2019 to be deposited into the technology innovation
corporation special fund established by section 206M-J, Hawaii
Revised Statutes.



1 There is appropriated out of the technology innovation
2 corporation special fund the sum of \$200,000 or so much thereof
3 as may be necessary for fiscal year 2017-2018 and the same sum
4 or so much thereof as may be necessary for fiscal year 2018-2019
5 for the purposes set forth in section 206M-J, Hawaii Revised
6 Statutes, established by section 1 of this Act.

7 The sums appropriated shall be expended by the technology
8 innovation corporation for the purposes of this Act.

9 SECTION 5. In codifying the new sections added by section
10 1 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 6. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 7. This Act shall take effect on July 1, 2017.

16



Report Title:

Technology Innovation Corporation; Established; Appropriation

Description:

Establishes the Technology Innovation Corporation, a corporation attached to the High Technology Development Corporation, to assist in attracting high technology development opportunities to the State. Appropriates funds. (SD1)

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

