

JAN 25 2017

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,
9 not-for-profit organization under section 501(c)(3) of the
10 Internal Revenue Code of 1986, as amended. The technology
11 innovation corporation shall be attached to the high technology
12 development corporation for 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 shall be
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 (1) Furnishing the means, methods, and agencies by which
2 the management, programming, training, investigation,
3 research, and analysis may be conducted;

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

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

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

18 **§206M-B Board of directors; composition.** (a) The affairs
19 of the technology innovation corporation shall be under the
20 general management and control of a board of directors. The



1 board of directors shall consist of the following seven 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;

6 (2) Three members appointed by the governor;

7 (3) Two members appointed by the president of the senate;
8 and

9 (4) Two members appointed by the speaker of the house of
10 representatives;

11 provided that all non ex officio members shall be appointed on
12 the basis of their knowledge, interest, and proven expertise in,
13 but not limited to one or more of the following fields:

14 finance, commerce and trade, corporate management, marketing,
15 economics, engineering, information technology and

16 telecommunications, life sciences, and other high technology

17 fields. All non ex officio members shall serve for a term of
18 four years, except that half of those initially appointed may

19 have reduced terms in accordance with section 26-34 so as to
20 provide, as nearly as can be, for the expiration of an equal



1 number of terms at intervals of one year, with each term
2 commencing on July 1 and expiring on June 30.

3 (b) All members of the technology innovation corporation's
4 board shall serve without pay but shall be entitled to
5 reimbursement for necessary expenses, including travel expenses,
6 while attending meetings and while in the discharge of duties
7 and responsibilities.

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

10 **§206M-C Powers of the board.** The technology innovation
11 corporation, under the direction of its board of directors,
12 shall have the following general powers:

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

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



1 (3) To enter into and perform contracts, leases,
2 cooperative agreements, or other transactions with the
3 development corporation or any other agency or
4 political subdivision of the State, any private
5 person, firm, partnership, association, company, or
6 corporation, only as it may be necessary in the
7 conduct of its business and on terms as it may deem
8 appropriate; provided that the technology innovation
9 corporation shall not obligate any funds of the State
10 except funds that have been appropriated to it by the
11 legislature or transferred or contracted to it by the
12 development corporation or other agency or department
13 of the state government. Notwithstanding the
14 foregoing, the technology innovation corporation may
15 enter into and perform contracts, leases, cooperative
16 agreements, or other transactions with any agency or
17 instrumentality of the United States, a foreign
18 nation, a state, a territory or a possession, or with
19 any political subdivision thereof, whenever the
20 donating or granting agency or instrumentality
21 determines that the development corporation or any



1 other agency of the State cannot as effectively and
2 efficiently accomplish the purposes for which the
3 contracts, leases, cooperative agreements, or other
4 transactions are being entered into; provided that the
5 technology innovation corporation shall not obligate
6 any funds of the State except funds that have been
7 appropriated or transferred to it or contracted for
8 it;

- 9 (4) To receive by gifts, grants, devises, bequests, or
10 other awards from private sources only, any property,
11 real, personal, or mixed, intangible or tangible,
12 absolutely or in trust, to be used and disposed of,
13 either the principal or the income therefrom, in
14 accordance with the conditions under which it was
15 received; provided that no gift to the technology
16 innovation corporation shall be accepted unless
17 approved or confirmed by its board of directors.
18 Notwithstanding the foregoing, the technology
19 innovation corporation may receive gifts, grants,
20 devises, bequests, or other awards from any agency or
21 instrumentality of the United States, a foreign



1 nation, a state, a territory or a possession, or from
2 any political subdivision thereof, whenever the
3 donating or granting agency or instrumentality
4 determines that the development corporation or any
5 other agency of the State cannot as effectively and
6 efficiently accomplish the purposes for which the
7 gifts, grants, devises, bequests, or other awards are
8 being made; provided that no such receipt of moneys to
9 the technology innovation corporation shall be
10 accepted unless approved or confirmed by its board of
11 directors;

12 (5) To have a corporate seal;

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

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

16 (8) To apply for, take out, receive by purchase or gift,
17 hold, administer, and dispose of copyrights, patent
18 rights, licenses, assignments of inventions,
19 discoveries, processes, and other property, rights, or
20 interests therein, and the income thereof, absolutely
21 or subject to conditions or trusts as may be attached



1 thereto or be imposed thereon, and to obligate itself
2 to perform and execute any and all conditions or
3 trusts;

4 (9) To conduct programs, projects, research, studies,
5 experiments, investigations, and tests in all fields
6 of knowledge; to promote and develop the scientific
7 and commercial value of inventions, discoveries, and
8 processes; and to make, publish, and distribute the
9 results thereof;

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

15 (11) To stimulate and promote cooperative research projects
16 and activities;

17 (12) To establish and maintain or to assist in establishing
18 and maintaining staff positions for the purpose of
19 aiding in technology-based economic development, and
20 to enter into agreements or contracts with other
21 corporations, organizations, institutions, or persons



1 for this purpose and to pay the necessary and
2 appropriate expenses therefor;

3 (13) To prepare, print, or publish any manuscript, research
4 article, report, study, discussion, reference,
5 collection, or any pictorial or schematic
6 representation or group or collection thereof, whether
7 the same belongs to or is the work of any state agency
8 or its employees, or the technology innovation
9 corporation or its employees or a contractor of the
10 technology innovation corporation. The printing or
11 publication may be accomplished through whatever
12 person, company, or agency is deemed most appropriate
13 by the board of directors; and

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

17 **§206M-D Technology innovation corporation; exempt from**
18 **certain state laws.** To carry out the purposes and objectives of
19 this part, the technology innovation corporation shall be
20 granted flexibility in hiring its personnel and in handling and



1 disbursing moneys by being exempt from the following state laws
2 in the Hawaii Revised Statutes:

3 (1) Sections 36-27 and 36-30, relating to special fund
4 reimbursements to the state general fund;

5 (2) Section 78-1, relating to public employment; and

6 (3) Chapter 76, relating to civil service.

7 **§206M-E Officers and employees of the technology**
8 **innovation corporation.** The executive director and chief
9 executive officer of the development corporation shall be the
10 president of the technology innovation corporation. The
11 technology innovation corporation's board of directors may also
12 appoint other officers and employees as may be necessary in
13 administering the affairs of the technology innovation
14 corporation. The technology innovation corporation's board of
15 directors shall set the employees' duties, responsibilities,
16 salaries, holidays, vacations, leaves, hours of work, and
17 working conditions and may grant other benefits as it deems
18 necessary. New employees of the technology innovation
19 corporation shall not be entitled to any benefits conferred
20 under chapter 76, 78, 88, or 89, or any public employee
21 collective bargaining agreement, executive order, executive



1 directive, or rule; provided that any existing officer or
2 employee of the State whose functions are transferred by this
3 part shall not suffer any loss of salary, seniority, prior
4 service credit, vacation, sick leave, or other employee benefit
5 or privilege as a consequence of this part.

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

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



1 **§206M-H Patents, copyrights, and other rights.** Any
2 patents, copyrights, inventions, discoveries, or other rights
3 arising from technology innovation corporation activities shall
4 belong to the technology innovation corporation and be subject
5 to policies or rules as the technology innovation corporation
6 board of directors may adopt.

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

- 11 (1) Its termination date;
- 12 (2) Its intent and purpose;
- 13 (3) A statement establishing the full permissible extent
14 of its applicability; and
- 15 (4) A description of the circumstances under which it may
16 be amended or extended.

17 **§206M-J Technology innovation corporation special fund;**
18 **established.** (a) There is established in the state treasury a
19 fund to be known as the technology innovation corporation
20 special fund, into which shall be deposited appropriations by
21 the legislature.



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

4 SECTION 2. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$200,000 or so much
6 thereof as may be necessary for fiscal year 2017-2018 and the
7 same sum or so much thereof as may be necessary for fiscal year
8 2018-2019 to be deposited into the technology innovation
9 corporation special fund established by section 206M-J, Hawaii
10 Revised Statutes.

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

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

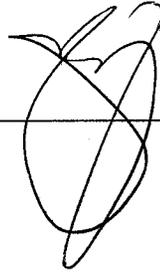
19 SECTION 3. In codifying the new sections added by section
20 1 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 4. This Act shall take effect on July 1, 2017:
4

INTRODUCED BY: _____



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S.B. NO. 1249

Report Title:

Technology Innovation Corporation; Nonprofit Corporation;
Established; Appropriation

Description:

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

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

