

**ACT 38**

S.B. NO. 716

A Bill for an Act Relating to the Natural Energy Laboratory.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 227D-1, Hawaii Revised Statutes, is amended by amending the definition of “research and technology park” to read as follows:

““Research and technology park” means a tract of real property determined by the board as being suitable for use as building sites for projects engaged in research, development, demonstration, processing, or manufacturing activities or retail or commercial enterprises utilizing or in support of the utilization of natural resources or geothermal energy. This includes, but is not limited to, research, commercialization, training, education, technical analyses, pilot plant, or prototype product development, and may include the installation of improvements to tracts incidental to the use of real property as a research and technology park, such as water, sewer, sewage and waste disposal, and drainage facilities, sufficient to adequately service projects in the research and technology park, and provision of incidental transportation facilities, power distribution facilities, and communication facilities. [Research and technology parks shall not include any buildings or structures of any kind except for buildings or structures incidental to improvements of the research and technology park.]”

SECTION 2. Section 227D-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is established the natural energy laboratory of Hawaii authority, which shall be a body corporate and politic and an instrumentality and agency of the State. The authority shall be placed within the department of business, economic development, and tourism for administrative purposes, pursuant to section 26-35. The purpose of the natural energy laboratory of Hawaii authority shall be to facilitate research, development, and commercialization of natural energy resources and ocean-related research, technology, and industry in Hawaii and to engage in [one] retail [concession activity and one tour-related activity], commercial, or tourism activities that will financially support that research, development, and commercialization at a research and technology park in Hawaii. Its duties shall include:

- (1) Establishing, managing, and operating facilities that provide sites for:
  - (A) Research and development;
  - (B) Commercial projects and businesses utilizing natural resources, such as ocean water or geothermal energy;
  - (C) [Those] Compatible businesses engaged in [other compatible] scientific and technological investigations[;], or retail, commercial, and tourism activities; and
  - (D) Businesses or educational facilities that support the primary projects and activities;
- (2) Providing support, utilities, and other services to facility tenants and government agencies;
- (3) Maintaining the physical structure of the facilities;
- (4) Promoting and marketing these facilities;
- (5) Promoting and marketing the reasonable utilization of available natural resources;
- (6) Supporting ocean research and technology development projects that support national and state interests, use facilities and infrastructure in Hawaii, and foster potential commercial development; and
- (7) Engaging in [one] retail [concession activity and one tour-related activity], commercial, and tourism activities that are not related to facilitating research, development, and commercialization of natural energy resources in Hawaii; provided that all income derived from these activities shall be deposited in the natural energy laboratory of Hawaii authority special fund.”

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

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

- (1) Sue and be sued;
- (2) Have a seal and alter the same at its pleasure;
- (3) Promote the use of the geothermal energy and natural resources sites for the purposes provided by law;
- (4) Through its executive director appoint officers, agents and employees without regard to chapters 76 and 77 and to establish the salaries therefor;
- (5) Adopt rules under chapter 91 necessary to effectuate this chapter in connection with its operation, facilities, parks, properties, and projects;
- (6) Make, execute, enter into, amend, supplement, and carry out contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter with any private person, firm, partnership, association, company, or corporation only as it may be necessary in the conduct of its business and on such terms as it may deem appropriate; provided that the authority shall not obligate any funds of the State except as have been appropriated to it. Notwithstanding the foregoing, the authority may enter into and perform such contracts, leases, cooperative agreements, or other transactions with any agency or instrumentality of the United States, a foreign nation, a state, a territory, or a possession, or with any political subdivision thereof;
- (7) Accept, hold, or expend gifts or grants in any form from any public agency or private source, or from any other source;
- (8) Impose and collect fees pertaining to the use of properties and facilities of the authority;
- (9) Formulate budgets to provide for the operation of the facilities of the authority;
- (10) Submit an annual report to the governor and the legislature at least twenty days prior to the convening of each regular session;
- (11) Acquire, own, lease, hold, clear, improve, and rehabilitate real, personal, or mixed property and assign, exchange, transfer, convey, lease, sublease, or encumber any project including by way of easements;
- (12) Construct, reconstruct, rehabilitate, improve, alter, or repair, or provide for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project and designate a qualified person as its agent for this purpose, and own, hold, assign, transfer, convey, exchange, lease, sublease, or encumber any project;
- (13) Arrange or initiate appropriate action for the planning, replanning, opening, grading, or closing of streets, roads, roadways, alleys, easements, or other places, the furnishings or improvements, the acquisition of property or property rights, or the furnishing of property or services in connection with a research and technology park;
- (14) Prepare or cause to be prepared plans, specifications, designs, and estimates of cost for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project or research and technology park, and from time to time, modify these plans, specifications, designs, or estimates;
- (15) Engage the services of consultants on a contractual basis for rendering professional and technical assistance and advice;

- (16) Procure insurance against any loss in connection with its properties and other assets and operations in amounts and from insurers as it deems desirable;
- (17) Issue bonds pursuant to this chapter in principal amounts as may be authorized from time to time by law to finance the cost of a project, including the repair or addition to its parks and facilities as authorized by law and to provide for the security thereof as permitted by this chapter;
- (18) Lend or otherwise apply the proceeds of the bonds issued for a project or a research and technology park either directly or through a trustee or a qualified person for use and application in the acquisition, construction, installation, or modification of a project or research and technology park, or agree with the qualified person whereby any of these activities shall be undertaken or supervised by that qualified person or by a person designated by the qualified person;
- (19) With or without terminating a project agreement, exercise any and all rights provided by law for entry and re-entry upon or to take possession of a project at any time or from time to time upon breach or default by a qualified person under a project agreement;
- (20) Create an environment that supports appropriate natural resource utilization and results in economic development, including: supporting research projects and facilitating the transition from research and development to pilot scale and then to full commercial operation of companies utilizing the natural resources available at the research and technology parks; developing educational and conservation programs; supporting commercialization of the natural resources available at the research and technology parks, if the commercialization is compatible with the research, development, and other retail, commercial, and tourism activities of the research and technology parks; identifying issues and impediments to the development of natural resource utilization; and providing policy analysis and information important to the development of natural resource utilization in Hawaii;
- (21) Develop programs that support projects and companies which locate at the research and technology parks;
- (22) Attract appropriate new uses of the natural resources in Hawaii[;], including retail, commercial, and tourism activities; and
- (23) Do any or all other acts reasonably necessary to carry out the purposes of the authority."

SECTION 4. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved April 26, 1999.)