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H.B. NO. 2831

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

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

SECTION 1. Section 227D-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Qualified security” means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, preorganization certificate of subscription, transferable share, investment contract, certificate of deposit for a security, certificate of interest or participation in a patent or patent application, or in royalty or other payments under such a patent or application, or, in general, any interest or instrument commonly known as a “security” or any certificate for, receipt for, or option, warrant, or right to subscribe to or purchase any of the foregoing.”

SECTION 2. 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 chapter 76 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:
 - (A) Supporting research projects and facilitating the transition from research and development to pilot scale and then to full commercial operation of companies utilizing using the natural resources available at the research and technology parks; developing
 - (B) Developing educational and conservation programs; supporting
 - (C) 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
 - (D) Identifying issues and impediments to the development of natural resource utilization; and providing
 - (E) 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) Acquire, hold, and sell qualified securities; provided that the authority shall not acquire qualified securities using authority funds or capital or moneys of the natural energy laboratory of Hawaii authority special fund; provided further that the authority shall not acquire, hold, or sell qualified securities of its tenants without first obtaining the approval of the board by a simple majority vote in each case considered. The acquisition and sale of qualified securities shall be detailed in the annual report of the natural energy laboratory of Hawaii authority;
 - (24) Accept donations, grants, bequests, and devises of money, property, services, or other things of value that may be received from the United States or any agency thereof, any governmental agency, or any public or private institution, person, firm, or corporation, to be held, used, or applied for any or all of the purposes specified in this chapter. Receipt of each donation, grant, bequest, or devise shall be detailed in the annual report of the natural energy laboratory

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of Hawaii authority. The report shall include the identity of the donor or grantor, the nature of the transaction, and any conditions attaching thereto; and

~~(23)~~ (25) Do any or all other acts reasonably necessary to carry out the purposes of the authority.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved May 25, 2010.)