
A BILL FOR AN ACT

RELATING TO TECHNOLOGY.

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

1 SECTION 1. The legislature finds that to be successful in
2 the twenty-first century global economy, Hawaii must position
3 itself as a leader in technology development, transfer, and
4 commercialization. Significant progress has been made in past
5 years through programs supported by federal and state
6 initiatives, such as programs administered by the high
7 technology development corporation, Hawaii strategic development
8 corporation, and the Hawaii technology development venture, but
9 more is required to move Hawaii's technology industry to achieve
10 local technology commercialization. Innovation in science and
11 technology fields will not only enable the State to succeed in
12 the global marketplace, but will also support the State's
13 sustainable economic development goals to include a viable and
14 vibrant technology and manufacturing labor force.

15 The purpose of this Act is to establish the Hawaii
16 innovation and technology research corporation to:



- 1 (1) Promote, develop, and expand Hawaii's innovation and
2 technology industry;
- 3 (2) Promote a more diverse economy that offers high
4 quality knowledge-based jobs; and
- 5 (3) Develop policy and resource allocations to enable and
6 support start-ups, sustain existing companies, and
7 attract companies to relocate or establish offices in
8 Hawaii.

9 SECTION 2. The Hawaii Revised Statutes is amended by
10 adding a new chapter to be appropriately designated and to read
11 as follows:

12 "CHAPTER

13 HAWAII INNOVATION AND TECHNOLOGY RESEARCH CORPORATION

14 § -1 Hawaii innovation and technology research
15 corporation; establishment; purpose. (a) There is established,
16 as a body corporate, the Hawaii innovation and technology
17 research corporation. The Hawaii innovation and technology
18 research corporation shall be a public instrumentality of the
19 State and shall be a part of the department of business,
20 economic development, and tourism for administrative purposes
21 only pursuant to section 26-35.



- 1 (b) The purpose of the Hawaii innovation and technology
2 research corporation shall include the promotion, development,
3 and expansion of Hawaii's innovation and technology industry by:
- 4 (1) Encouraging, initiating, and aiding in the development
5 and commercialization of local innovation and
6 technology;
 - 7 (2) Furnishing of means and methods to institute and grow
8 local innovation and technology;
 - 9 (3) Developing policy and resource allocations to enable
10 and support start-ups, sustain existing companies, and
11 attract companies to relocate or establish offices in
12 Hawaii;
 - 13 (4) Attracting resources from public and private sector
14 organizations and agencies to grow and develop a local
15 qualified innovation research and technology
16 workforce;
 - 17 (5) Coordinating with other state agencies and entities to
18 support the innovation and technology industry; and
 - 19 (6) Taking any and all other actions reasonably designed
20 to promote these purposes in the interest of promoting
21 the general welfare of the people of the State.



1 § -2 Hawaii innovation and technology research
2 corporation; board; president and chief executive officer. (a)
3 The Hawaii innovation and technology research corporation shall
4 be headed by a policy-making board of directors appointed as
5 follows:

6 (1) The members shall be appointed by the governor, senate
7 president, and speaker of the house of representatives
8 for a term of four years; provided that membership on
9 the board shall not exceed eight consecutive years;
10 provided further that each member shall hold office
11 until the member's successor is appointed and
12 qualified;

13 (2) The members shall include at least one representative
14 each from the city and county of Honolulu, county of
15 Hawaii, county of Kauai, and county of Maui;

16 (3) Three members shall be appointed by the governor from
17 a list of three names submitted for each appointment
18 by the president of the senate, and three members
19 shall be appointed by the governor from a list of
20 three names submitted for each appointment by the
21 speaker of the house of representatives;



- 1 (4) All members shall have knowledge, experience, and
2 expertise in the area of technology, innovation,
3 information systems, computer science, aerospace,
4 agriculture, tourism, environmental science, and/or
5 sustainability; and
- 6 (5) The governor shall make appointments to ensure the
7 fulfillment of all requirements of this subsection;
8 provided that upon the occurrence of a vacancy, the
9 governor shall notify the president of the senate and
10 the speaker of the house of representatives of any
11 unfulfilled requirements pursuant to this subsection,
12 and the president of the senate or the speaker of the
13 house of representatives, as appropriate, shall submit
14 nominees who fulfill those requirements.
- 15 (b) The board shall elect a chairperson from among the
16 members.
- 17 (c) shall constitute a quorum and a minimum of
18 affirmative votes shall be necessary for all actions by
19 the Hawaii innovation and technology research corporation. The
20 members shall serve without compensation, but shall be
21 reimbursed for expenses, including travel expenses, necessary



1 for the performance of their duties, by the department of
2 business, economic development, and tourism.

3 (d) The board shall appoint one person to serve as
4 president and chief executive officer, who shall oversee the
5 Hawaii innovation and technology research corporation staff;
6 provided that the compensation package, including salary, shall
7 not exceed fifteen per cent of the three and one-half percent
8 authorized for administrative expenses under ; and
9 provided further that the compensation package shall not include
10 private sector moneys or other contributions. The board shall
11 set the salary, duties, and responsibilities of the president
12 and chief executive officer. It may grant other benefits as it
13 deems necessary.

14 § -3 Hawaii innovation and technology research
15 corporation; powers. The Hawaii innovation and technology
16 research corporation, under the direction of the board of
17 directors, shall have the following general powers:

18 (1) To adopt, amend, and repeal bylaws governing the
19 conduct of its business and the exercise of the powers
20 and performance of duties granted to or imposed upon
21 it by law;



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

5 (3) To enter into and perform such contracts, leases,
6 cooperative agreements, or other transactions with any
7 other agency or political subdivision of the State,
8 any private person, firm, partnership, association,
9 company, or corporation, only as it may be necessary
10 in the conduct of its business and on such terms as it
11 may deem appropriate; provided that the research
12 corporation shall not obligate any funds of the State
13 except those that have been appropriated to it.

14 Notwithstanding the foregoing, the research
15 corporation may enter into and perform such contracts,
16 leases, cooperative agreements, or other transactions
17 with any agency or instrumentality of the United
18 States, a foreign nation, a state, a territory, or a
19 possession, or with any political subdivision thereof,
20 whenever the donating or granting agency or
21 instrumentality determines that the agency of the



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

7 (4) To receive by gifts, grants, devises, bequests, or
8 otherwise from private sources only, any property,
9 real, personal, or mixed, intangible or tangible,
10 absolutely or in trust, to be used and disposed of,
11 either the principal or the income therefrom, in
12 accordance with the conditions under which it was
13 received; except that no gift to the research
14 corporation shall be accepted unless approved or
15 confirmed by the board of directors. Notwithstanding
16 the foregoing, the research corporation may receive
17 gifts, grants, or awards from any agency or
18 instrumentality of the United States, a foreign
19 nation, a state, a territory, or a possession, or from
20 any political subdivision thereof, whenever the
21 donating or granting agency or instrumentality



1 determines that any agency of the State cannot as
 2 effectively and efficiently accomplish the purposes
 3 for which the gifts, grants, or awards are being made,
 4 except that no gift to the research corporation shall
 5 be accepted unless approved or confirmed by the board
 6 of directors;

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

9 (6) To coordinate and correlate activities and projects of
 10 the research corporation with the work of other state
 11 agencies for the purpose of economic development of
 12 the State whenever practical or desirable; and

13 (7) To do any or all other acts reasonably necessary to
 14 carry out the objectives and purposes of the research
 15 corporation."

16 SECTION 3. There is appropriated out of the general
 17 revenues of the State of Hawaii the sum of \$ or so much
 18 thereof as may be necessary for fiscal year 2018-2019 for the
 19 operations of the Hawaii innovation and technology research
 20 corporation.



1 The sum appropriated shall be expended by the department of
2 business, economic development and tourism for the purposes of
3 this Act.

4 SECTION 4. This Act shall take effect on July 1, 2112.



Report Title:

Hawaii Innovation and Technology Research Corporation;
Department of Business, Economic Development, and Tourism

Description:

Creates a Hawaii Innovation and Technology Research Corporation to grow Hawaii's innovation and technology industry to be placed under the Department of Business, Economic Development, and Tourism for administrative purposes. Establishes a board of directors of the Corporation and the powers of the board.
(HB2709 HD1)

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