

STAND. COM. REP. NO. 35

Honolulu, Hawaii

February 9, 2015

RE: H.B. No. 1069  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which  
was referred H.B. No. 1069 entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY,"

begs leave to report as follows:

The purpose of this measure is to move Hawaii towards a more  
diversified economy and assist small businesses conducting  
innovative research with their efforts toward commercialization  
by, among other things:

- (1) Adding the receipt of Phase II or III Small Business  
Innovation Research awards or contracts from any  
participating federal agency to the qualifying criteria  
for businesses to receive grants from the High  
Technology Development Corporation; and
- (2) Appropriating \$5,000,000 for the Department of Business,  
Economic Development, and Tourism to provide grants  
through the High Technology Development Corporation.

The Chamber of Commerce of Hawaii, Oceanit, and Ibis Networks  
testified in support of this measure. The High Technology  
Development Corporation testified in support of the intent of this  
measure.



Since 1989, the High Technology Development Corporation has been assisting Phase I Small Business Innovation Research awarded companies reach their commercial potential through the provision of grants. This has proven to be successful for both the business awarded the grant and the State given that every dollar invested through this grant program has been leveraged to attract approximately \$20 in federal funds as well as commercialization funding. Expanding the scope of the grant program will allow for more companies to achieve commercialization and increase the beneficial economic impacts of this program to the State.

Your Committee has amended this measure by:

- (1) Reinserting subsection (c) of section 206M-15, Hawaii Revised Statutes, relative to the adoption of administrative rules necessary for administering the matching grant program;
- (2) Changing the amount appropriated to the Department of Business, Economic Development, and Tourism to provide grants through the High Technology Development Corporation from \$5,000,000 to an unspecified amount; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Should the Committee on Finance deliberate this measure further, your Committee respectfully requests that it consider \$5,000,000 for the Department of Business, Economic Development, and Tourism to provide grants through the High Technology Development Corporation.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1069, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,



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DEREK S.K. KAWAKAMI, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCB 35

**Record of Votes of the Committee on Economic Development & Business**

<b>Bill/Resolution No.:</b> HB 1069	<b>Committee Referral:</b> EDB, FIN	<b>Date:</b> 3 FEB 15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. KAWAKAMI, Derek S.K. (C)	✓			
2. KONG, Sam Satoru (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.	✓			
5. CHOY, Isaac W.	✓			
6. ITO, Ken				✓
7. OHNO, Takashi	✓			
8. ONISHI, Richard H.K.	✓			
9. TOKIOKA, James Kunane	✓			
10. TSUJI, Clift	✓			
11. WOODSON, Justin H.	✓			
12. MATSUMOTO, Lauren Kealohilani	✓			
13. WARD, Gene	✓			
<b>TOTAL (13)</b>	12			1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> <u>Samuel O. King</u>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				