

STAND. COM. REP. NO. 1188

Honolulu, Hawaii
March 2, 2007

RE: H.B. No. 338
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 338, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose of this bill is to invest in the diversification of Hawaii's economy by establishing the Hawaii Innovations Partnership Corporation and a Hawaii Innovations Partnership Special Fund to provide research and development grants, seed capital, and business and technical support for ventures in advanced technology, life sciences, and renewable energy.

Honolulu Seawater Air Conditioning, LLC., High Technology Development Corporation, and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Budget and Finance opposed this bill. The Department of Accounting and General Services, State Procurement Office, Office of Information Practices, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by inserting provisions that, among other things:

- (1) Improve the State's ability to measure the productivity of and establish benchmarks for the growth of Hawaii's economy;

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- (2) Support the operations and programs of a state-operated technology incubator and innovation center in the Kakaako district of Honolulu;
- (3) Establish a local incubator facility to develop Hawaii's digital media infrastructure for film and television productions and interactive game development;
- (4) Establish the Music and Enterprise Learning Experience Program at the Honolulu Community College to develop the technical and business skills required by Hawaii's artists and music industry; and
- (5) Enhance the ability of the University of Hawaii's Office of Technology Transfer and Economic Development to increase commercialization and the number of licensing agreements through a partnership with a qualified and experienced private sector entity.

Your Committee has further amended this bill by:

- (1) Removing the specific appropriation amounts; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 338, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 338, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



