

STAND. COM. REP. NO.

2116

Honolulu, Hawaii

FEB 13 2012

RE: S.B. No. 2239

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Economic Development and Technology and Public Safety, Government Operations, and Military Affairs, to which was referred S.B. No. 2239 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to exempt community-based economic development program grants from the procurement code; clarify that the Hawaii Strategic Development Corporation is the expending agency for the hydrogen investment capital special fund; and repeal the High Technology Innovation Corporation.

Your Committees received testimony in support of this measure from the Hawaii Strategic Development Corporation and High Technology Development Corporation. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism and testimony in opposition from the State Procurement Office.

Your Committees find that although the procurement code provides for safeguards in procuring contracts between state and private entities, exempting the grants from the community-based economic development program from the procurement code is consistent with the legislative intent when establishing the community-based economic development program, which was enacted in 1990 prior to the procurement code's enactment in 1993.

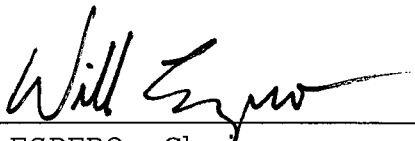


Your Committees also find that the Hawaii Technology Innovation Corporation was created to facilitate the growth and development of the commercial high technology industry at a time that the prior administration had reduced general fund support to the High Technology Development Corporation; and the High Technology Innovation Corporation's non-profit status was established as a replacement funding mechanism. Since your Committees recommend continuing state general fund support for the High Technology Development Corporation, the High Technology Innovation Corporation non-profit is no longer necessary.

Your Committees further find that the Hawaii Strategic Development Corporation has been requested to provide active oversight over the hydrogen investment capital special fund due to staff changes in the Department of Business, Economic Development, and Tourism. This measure will clarify that the Hawaii Strategic Development Corporation is the expending agency for monies in the special fund.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2239 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development and Technology and
Public Safety, Government
Operations, and Military
Affairs,



WILL ESPERO, Chair



CAROL FUKUNAGA, Chair



