

STAND. COM. REP. NO. 1163

Honolulu, Hawaii

MAR 27 2015

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

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Economic Development and Technology, to which was referred H.B. No. 1069, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the High Technology Development Corporation to provide grants to businesses with a federal small business innovation research phase II or III award; and
- (2) Appropriate funds to carry out the purposes of this measure.

Your Committee received testimony in support of this measure from the High Technology Development Corporation; Chamber of Commerce Hawaii; Oceanit Laboratories, Inc.; Maui Chamber of Commerce; Makai Ocean Engineering; and one individual.

Your Committee finds that the Hawaii small business innovation research program has successfully helped many Hawaii businesses win coveted federal funding through the federal small business innovation research program while additionally helping many small businesses further develop their intellectual property. This measure expands the Hawaii small business innovation research program to provide a match for phase II and phase III awardees to diversify Hawaii's economy. This measure additionally secures the



investment of millions of dollars into the state economy and provides a framework for young people to create their own high tech companies as part of the State's plan to establish an innovation economy in Hawaii.

Your Committee further finds that there is a great need for Hawaii to develop and support manufacturing in the State. Hawaii imports ninety percent of products consumed annually throughout the islands. Your Committee believes that support for the manufacturing industry in the State can be provided through implementation of a grant program for manufacturing companies.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to establish a manufacturing capital grant program, to be administered by the High Technology Development Corporation through a program administrator, to provide grants to Hawaii-based companies that relate to:
  - (A) Purchasing of manufacturing equipment;
  - (B) Training programs for employees on the proper and safe methods of operating relevant manufacturing equipment;
  - (C) Improving business practices involving the use of existing manufacturing equipment or purchase of improved energy efficiency equipment involved in the manufacturing process; or
  - (D) Studying or planning the implementation of a new manufacturing facility.
- (2) Inserting language to cap each grant that may be received by a company under the program at twenty percent of costs, up to \$100,000 in any given year;
- (3) Inserting language requiring the High Technology Development Corporation to report to the Legislature no later than twenty days prior to the convening of the regular session held in every even-numbered year on the number of grants provided, the sectors and businesses provided with grants, and economic and financial growth

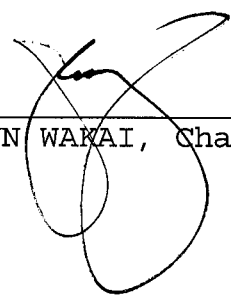


related to the administration and provision of grants under this program;

- (4) Inserting language appropriating funds for the establishment and operation of the program; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development and Technology,



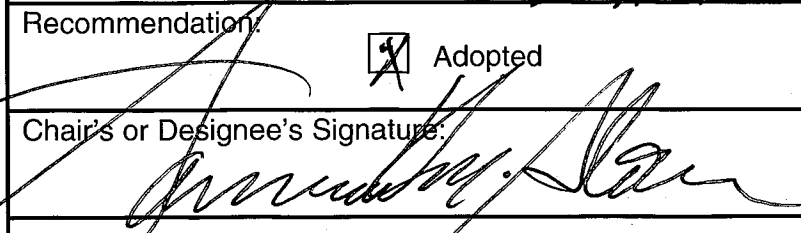
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GLENN WAKAI, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Economic Development and Technology**  
**EDT**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1069 HD1	EDT, WAM	3/25/15
<input checked="" type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: <u>pass as is</u>		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
WAKAI, Glenn (C)	X	
SLOM, Sam (VC)	X	
BAKER, Rosalyn H.	X	
CHUN OAKLAND, Suzanne	X	
DELA CRUZ, Donovan M.	X	
ESPERO, Will	X	
HARIMOTO, Breene	X	
<b>TOTAL</b>	8	0
0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: 		
Distribution:     Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy		

\*Only one measure per Record of Votes