

Honolulu, Hawaii

APR 10 2015

RE: H.B. No. 1069
H.D. 1
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1069, H.D. 1, S.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 expand the Hawaii Small Business Innovation Research Program and to promote manufacturing in Hawaii.

More specifically, this measure:

- (1) Authorizes the High Technology Development Corporation to provide matching grants to businesses in Hawaii that receive a phase II or III award or contract under the federal Small Business Innovation Research Program;
- (2) Appropriates an unspecified amount of funds to the Department of Business, Economic Development, and Tourism for the purpose of providing grants and loans for phase II and III awards;
- (3) Establishes the Hawaii Manufacturing Capital Grant Program to provide grants to manufacturers for expenses relating to equipment, planning for new facilities, and training programs; and



- (4) Appropriates \$2,000,000 to the High Technology Development Corporation for the Hawaii Manufacturing Capital Grant Program.

Your Committee received written comments in support of this measure from the High Technology Development Corporation; The Chamber of Commerce of Hawaii; Hawaii Aquaculture and Aquaponics Association; Hawaii Evolutionary Development, LLC; Hawaii Fish Company Inc.; K Yamada Distributors; Makai Ocean Engineering, Inc.; Meadow Gold Dairies; and Oceanit.

Your Committee finds that the federal Small Business Innovation Research Program is a competitive program that helps small businesses grow and succeed by awarding moneys for research and development. Your Committee also finds that only recipients of the federal program's phase I awards are currently able to receive matching funds from the Hawaii Small Business Innovation Research Program. Your Committee believes that expanding the Hawaii Small Business Innovation Research Program to allow businesses that receive a phase II or III federal award to qualify for matching state grants will enable small businesses in the State to develop and commercialize their intellectual property.

Your Committee further finds that there is a great need for Hawaii to develop and support manufacturing in the State. The lack of available resources and the overuse of obsolete equipment have had a detrimental effect on the market competitiveness of Hawaii businesses. Your Committee believes that it is incumbent upon the State to ease the financial burdens facing particular businesses and to ensure the long-term financial and economic sustainability of the State.

Your Committee has amended this measure by:

- (1) Requiring the High Technology Development Corporation to analyze each application received under the Hawaii Manufacturing Capital Grant Program to determine whether its intended use will be economically viable and beneficial to the State;
- (2) Changing the appropriation for the Hawaii Manufacturing Capital Grant Program to an unspecified amount;
- (3) Changing the effective date to July 1, 2053, to facilitate further discussion on the measure; and



- (4) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1069, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1069, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

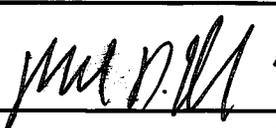


JILL N. TOKUDA, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1069, HD1, SD1	EDT, WAM	04/06/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
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
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam	✓			
TOTAL	10	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes