

Honolulu, Hawaii

February 16, 2017

RE: H.B. No. 911

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 911 entitled:

"A BILL FOR AN ACT RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to allow companies to borrow high technology equipment at low cost by requiring the High Technology Development Corporation (HTDC) to establish and administer a High Technology Equipment Loan Program which includes:

- (1) Authorizing HTDC to purchase and accept high technology equipment for the Program;
- (2) Allowing HTDC to loan equipment to companies for a fee;
- (3) Allowing companies to loan their own equipment to other companies for a fee with HTDC receiving a commission; and
- (4) HTDC setting reasonable fees and commission.

This measure also creates a High Technology Equipment Loan Special Fund.



Oceanit supported this bill. High Technology Development Corporation supported the intent of this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this measure by:

- (1) Converting the High Technology Equipment Loan Program to a High Technology Shared Equipment Program wherein HTDC's role is minimized to that of a transaction facilitator for companies desiring to share high technology equipment, including authorizing HTDC to:
 - (A) Accept a fee for facilitating the transaction;
 - (B) Establish a network to facilitate sharing between companies; and
 - (C) Suggest a reasonable sharing fee schedule and terms;
- (2) Deleting the High Technology Equipment Loan Program Special Fund and diverting revenues from the High Technology Shared Equipment Program to the High Technology Special Fund;
- (3) Amending the effective date to July 1, 2038, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

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. 911, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 911, H.D. 1, and be referred to your Committee on Finance.



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



MARK M. NAKASHIMA, Chair



