

Honolulu, Hawaii

FEB 16 2016

RE: S.B. No. 2504
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Economic Development, Environment, and Technology, to which was referred S.B. No. 2504 entitled:

"A BILL FOR AN ACT RELATING TO INNOVATION BUSINESS INTERACTION, "

begs leave to report as follows:

The purpose and intent of this measure is to establish a commercialization loan program, known as the Hawaii high impact loan program for commercialization (HI-impact), to support Hawaii-based small businesses in the fields of dual-use technologies, tourism-technology, agriculture-technology, manufacturing-technology, sports-technology, finance-technology, building and construction-technology, and other cross-industry collaborations, excluding energy generation technology, within Hawaii's technology sector.

Your Committee received testimony in support of this measure from the High Technology Development Corporation; Hawaii Strategic Development Corporation; Chamber of Commerce Hawaii; Oceanit; Makai Ocean Engineering, Inc.; mbloom Ventures, LLC; and two individuals.

Your Committee finds that to be successful in the twenty-first century global economy, Hawaii must position itself as a leader in technology development, transfer, and commercialization. Although significant progress has been made by federal and state initiatives and programs administered by the High Technology Development Corporation, Hawaii Strategic Development Corporation,



and Hawaii Technology Development Venture, more is required for Hawaii's technology industry to achieve local technology commercialization and success in the global marketplace.

Your Committee further finds that under the HI-impact program proposed by this measure, funding for a first investment of up to \$100,000 is adequate and funding for a second investment is unnecessary. Your Committee also notes that this measure refers to program requirements specified and parameters set by the Department of Business, Economic Development, and Tourism, although the HI-impact program is established within the Hawaii Technology Development Corporation. Your Committee recommends that your Committee on Ways and Means consider whether the High Technology Development Corporation should be the only agency developing program requirements under this measure.

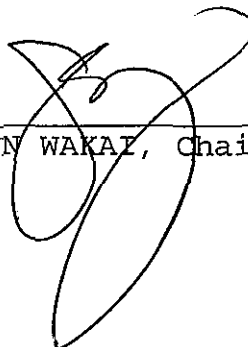
Your Committee has amended this measure by:

- (1) Deleting language that would have allowed funding for a second investment;
- (2) Amending language to require the hiring of an administrator, as is consistent with the requirements of this measure; and
- (3) 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, Environment, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2504, S.D. 1, and be referred to your Committee on Ways and Means.



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



GLENN WAKAI, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Economic Development, Environment, and Technology
EET

Bill / Resolution No.:* SB 2504	Committee Referral: EET, WAM	Date: 2/5/16		
<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
WAKAI, Glenn (C)	X			
SLOM, Sam (VC)	X			
BAKER, Rosalyn H.				X
ESPERO, Will	X			
GALUTERIA, Brickwood	X			
IHARA, Jr., Les				X
KEITH-AGARAN, Gilbert S.C.				X
RUDERMAN, Russell E.				X
THIELEN, Laura H.	X			
TOTAL	5	0	0	4
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