
A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In 1983, the legislature created the high
2 technology development corporation as a means to facilitate
3 growth in the high technology industry. Since then, various
4 measures promoting the continuation of the high technology
5 industry have been enacted.

6 In 1990, the legislature established the Hawaii strategic
7 development corporation to encourage development and
8 diversification by stimulating the investment of private capital
9 in the state. Act 221, Session Laws of Hawaii (SLH) 2001,
10 supported the establishment of high technology companies in
11 Hawaii by expanding the application of the high technology
12 business investment tax credit. Further, Act 215, SLH 2004,
13 complemented Act 221, by creating the state private investment
14 fund and providing investors with tax credit guarantees in the
15 event that the start-up company did not reach profitability
16 thereby encouraging the investment of risk capital in the early
17 stages of a company's growth.



1 Positive growth in high technology companies and continued
2 growth in the state's economy indicate that efforts to stimulate
3 the high technology industry by providing venture capital have
4 been worthwhile. Hawaii has experienced an influx of high
5 technology companies over the past five years and many of these
6 companies are beginning to enter the profitability stage of
7 their growth. A rising demand for increased incentives and
8 further support from the State mandates the establishment of
9 concrete plans and a unified vision for the future of Hawaii's
10 high technology sector.

11 The legislature finds that a task force focusing on
12 defining the direction of Hawaii's high technology industry is
13 the necessary next step in the process of continued growth. The
14 purpose of this Act is to establish the high technology industry
15 task force for the State. The primary responsibility of the
16 task force will be to develop a state master plan for
17 technology.

18 SECTION 2. (a) The high technology industry task force is
19 established within the department of business, economic
20 development, and tourism, which shall provide all necessary
21 administrative and staff support for the task force.



1 (b) The task force shall consist of fifteen members who
2 shall not be subject to senate confirmation. The chair of the
3 task force shall be elected by a majority of its members. The
4 task force shall be comprised of the following members:

5 (1) The director of business, economic development, and
6 tourism or the director's designee;

7 (2) The executive director and CEO of the high technology
8 development corporation or the director's designee;

9 (3) The president of the Hawaii strategic development
10 corporation or the president's designee;

11 (4) The director of taxation or the director's designee;

12 (5) A representative of the Hawaii Venture Capital
13 Association;

14 (6) A representative of the Chamber of Commerce of Hawaii;

15 (7) A representative of the Tax Foundation of Hawaii;

16 (8) A representative of the Hawaii Technology Trade
17 Association;

18 (9) Three members appointed by the speaker of the house of
19 representatives consisting of:

20 (A) Two members from the house of representatives;

21 and

22 (B) One member of the public;



1 (10) Three members appointed by the senate president
2 consisting of:

3 (A) Two members from the senate; and

4 (B) One member of the public.

5 (c) Members of the task force shall serve without pay, but
6 may be reimbursed for necessary expenses, including travel
7 expenses incurred in the performance of official duties if funds
8 are available.

9 (d) The task force shall meet at least monthly or more
10 frequently at the discretion of the chair.

11 (e) The task force shall create a master plan for
12 technology by December 2006 and shall reconvene on or before
13 July 1, 2010, and every four years thereafter to re-assess the
14 master plan and submit further recommendations.

15 (f) The primary tasks of the task force shall include:

16 (1) Evaluating the effectiveness of past and current high
17 technology legislation, including Act 215, Session
18 Laws of Hawaii 2004, and Act 221, Session Laws of
19 Hawaii 2001;

20 (2) Developing a master plan for the direction of high
21 technology in Hawaii, which shall include:



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- 1 (A) A list of goals established for the technology
- 2 sector in the state;
- 3 (B) A plan to reach the established goals; and
- 4 (C) A timeline for implementation and completion;
- 5 (3) Assisting the legislature in maintaining an overall
- 6 framework to guide the development of high technology
- 7 in the state by creating guidelines for future high
- 8 technology legislation; and
- 9 (4) Submitting recommendations for high technology
- 10 legislation to meet the goals established in the high
- 11 technology master plan.
- 12 (g) The task force shall submit a report to the
- 13 legislature and the governor no later than twenty days prior to
- 14 the convening of regular session of 2007.

15 SECTION 3. This Act shall take effect upon its approval.

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Report Title:

High Technology; High Technology Industry Task Force

Description:

Establishes the high technology industry task force for the state.

