
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 Hawaii
2 high 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, which fills the current funding gap for later-stage Hawaii
15 companies by creating a diversified investment fund secured by
16 the State.

17 Positive growth in high technology companies and continued
18 growth in the state's economy indicate that efforts to stimulate



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

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

16 SECTION 2. (a) The high technology industry task force is
17 established within the Hawaii technology development
18 corporation, which shall provide all necessary administrative
19 and staff support for the task force.

20 (b) The task force shall consist of fifteen members who
21 shall not be subject to senate confirmation. The chairperson of



1 the task force shall be elected by a majority of its members.

2 The task force shall be comprised of the following members:

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

5 (2) The executive director of the Hawaii high technology
6 development corporation or the director's designee;

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

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

10 (5) The president of the University of Hawaii or the
11 president's designee;

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

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

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

16 (9) A representative of the Hawaii Science and Technology
17 Council;

18 (10) One member from the house of representatives and two
19 members of the public, who shall be appointed by the
20 governor from a list of at least six nominees from the
21 speaker of the house of representatives; and



1 (11) One member from the senate and two members of the
2 public, who shall be appointed by the governor from a
3 list of at least six nominees from the president of
4 the senate.

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 quarterly or more
10 frequently at the discretion of the chairperson.

11 (e) The primary tasks of the task force shall include:

12 (1) Evaluating the effectiveness of past and current high
13 technology legislation, including Act 215, Session
14 Laws of Hawaii 2004;

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

17 (A) A list of goals established for the high
18 technology sector in the state;

19 (B) A plan to reach the established goals; and

20 (C) A timeline for implementation and completion;

21 (3) Assisting the legislature in maintaining an overall
22 framework to guide the development of high technology



1 in the state by creating guidelines for future high
2 technology legislation; and

3 (4) Submitting recommendations for high technology
4 legislation to meet the goals established in the high
5 technology master plan.

6 (f) The task force shall submit the master plan and a
7 report, including proposed legislation, to the legislature and
8 the governor no later than twenty days prior to the convening of
9 regular session of 2007 and shall issue an updated report every
10 December thereafter that reassesses the master plan.

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so much
13 thereof as may be necessary for fiscal year 2006-2007 for the
14 task force to carry out the purposes of this Act.

15 The sum shall be expended by the Hawaii high technology
16 development corporation for the purposes of this Act.

17 SECTION 4. This Act shall take effect on July 1, 2006.



HB 3019 HD1

Report Title:

High Technology; High Technology Industry Task Force

Description:

Establishes the high technology industry task force for the state. (HB3019 HD1)

HB3019 HD1 HMS 2006-1845

