
A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

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

1 SECTION 1. In 1989, the legislature created the Hawaii
2 small business innovation research assistance program under
3 chapter 206M-15, Hawaii Revised Statutes. Prior to 1989, there
4 were two Hawaii small businesses that received federal small
5 business innovation research awards. Since 1989, fifty-six
6 Hawaii companies have won two hundred forty-five federal small
7 business innovation research grants, bringing to Hawaii
8 approximately \$56,500,000 in federal small business innovation
9 research phase I and phase II funds, plus \$57,500,000 in phase
10 III federal small business innovation research commercialization
11 contracts. According to the United States Department of
12 Agriculture, Hawaii companies have won the highest number of
13 United States Department of Agriculture small business
14 innovation research grants per capita than any other state.

15 Hawaii's cumulative state investment in the Hawaii small
16 business innovation research assistance program of \$3,700,000
17 returns fifteen to one in federal phase I and II grants and



1 thirty to one if the phase III commercial contracts are
2 included.

3 Today small business innovation research is a
4 \$2,000,000,000 federal funding program that encourages small
5 businesses to develop commercially viable technologies or
6 innovations. Organized as a competition, the federal small
7 business innovation research program allows small companies the
8 opportunity to test high-risk theories and develop innovative
9 technologies. To compete for federal small business innovation
10 research dollars, ten participating federal agencies issue
11 scheduled program solicitations seeking research and development
12 in their respective areas of interests, disciplines, and
13 missions. These federal departments and agencies are required
14 to reserve a portion of their research and development funds for
15 federal small business innovation research that has potential
16 for commercialization and public benefit. The participating
17 federal agencies include the Department of Agriculture,
18 Department of Commerce, Department of Defense, Department of
19 Education, Department of Energy, Department of Health and Human
20 Services, Department of Transportation, Department of Homeland
21 Security, Environmental Protection Agency, National Aeronautics
22 and Space Administration, and the National Science Foundation.



1 With new infrastructure and projects dedicated to the
2 development of Hawaii's biotechnology and life sciences
3 industry, the high technology development corporation proposes
4 to extend its current small business innovation research
5 assistance program to include the federal small business
6 technology transfer program, to encourage small companies and
7 researchers at nonprofit research institutions, including
8 research universities and colleges, to work together as a team
9 to move technologies developed in the laboratory to the
10 marketplace and foster technology based economic development.
11 The following five federal departments and agencies are required
12 to reserve a portion of their research and development funds for
13 small business technology transfer program: Department of
14 Defense, Department of Energy, Department of Health and Human
15 Services, National Aeronautics and Space Administration, and the
16 National Science Foundation. A minimum of forty per cent of
17 each small business technology transfer program project must be
18 carried out by the small business, and a minimum of thirty per
19 cent of the effort must be performed by the research
20 institution.

21 Additionally, the high technology development corporation
22 proposes to increase the number of new Hawaii technology



1 companies applying for small business innovation research and
2 small business technology transfer program federal grant funds
3 by expanding its current Hawaii small business innovation
4 research assistance program to include phase 0 competition
5 assistance grants. Phase 0 funds will be used to overcome
6 obstacles faced by technology companies when developing a
7 competitive small business innovation research and small
8 business technology transfer program proposal. Typical
9 obstacles may include determining whether a concept or idea is
10 truly innovative, appropriate laboratory research, access to and
11 contact with distant collaborators including faculty,
12 researchers, and scientific writers. These phase 0 competition
13 assistance grants will be available to Hawaii companies
14 developing a small business innovation research or small
15 business technology transfer program grant proposal. The
16 results will facilitate more competitive proposals and assist
17 Hawaii's growing high technology research and development niche.

18 The purpose of this Act is to create and establish a small
19 business technology transfer program.

20 SECTION 2. Section 206M-15, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



H.B. NO. 3059

1 "(b) The development corporation may provide grants not
2 exceeding the lesser of:

3 (1) Fifty per cent of the federal small business
4 innovation research phase I award or contract; [~~or~~]

5 (2) \$25,000 to each business in Hawaii that receives a
6 federal small business innovation research phase I
7 award or contract from any participating federal
8 agency[~~]~~;

9 (3) Up to \$25,000 to each business in Hawaii that receives
10 a federal small business technology transfer program
11 award or contract from any participating federal
12 agency; or

13 (4) Up to \$3,000 to each business in Hawaii that applies
14 for a small business innovation research federal grant
15 or small business technology transfer program federal
16 grant;

17 subject to the availability of funds."

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect upon its approval.

21

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HB 3059

Report Title:

High Technology; Technology Transfer

Description:

Establishes a small business technology transfer program by authorizing the awarding of grants to Hawaii businesses that receive federal; small business innovation research grants or federal technology transfer program grants.

