

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 2181  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2181, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose of this bill is to support strong growth in the high-technology industry in the state by establishing the Hawaii Innovations Partnership Corporation to:

- (1) Provide research and development grants; and
- (2) Invest in enterprises in the fields of advanced technology, life sciences, and renewable energy.

The High Technology Development Corporation, Hawaii Crop Improvement Association, Hawaii Science and Technology Council, Hawaii Venture Capital Association, Hawaii Biotech, Inc., PacifiCap Group, PacifiCap Management, Inc., TREX Enterprises Corporation, NovaSol, Referentia Systems, Inc., Hawaii Pacific Health, Nanopoint, Enterprise Honolulu, Oceanit, and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism, University of Hawaii, and Hawaii Strategic Development Corporation supported the intent of this measure. The Department of Budget and Finance opposed this bill. The Tax Foundation of Hawaii provided comments.

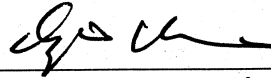


Your Committee has amended this bill by:

- (1) Reclassifying the Hawaii Innovations Partnership Special Fund and the Hawaii Innovations Partnership Investment Fund as revolving funds;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2181, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2181, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

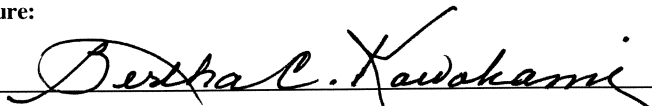


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DWIGHT TAKAMINE, Chair



**Record of Votes of the Committee on Finance**

<b>Bill/Resolution No.:</b> HB 2181 HD1	<b>Date:</b> 3.1.06			
<b>Committee Referral:</b> EDB, FIN	<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.			
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit				
<b>FIN Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. TAKAMINE, Dwight Y. (C)	✓			
2. KAWAKAMI, Bertha C. (VC)	✓			
3. CARROLL, Mele	✓			
4. CHONG, Pono	✓			
5. EVANS, Cindy	✓			
6. LEE, Marilyn B.	✓			
7. MAGAOAY, Michael Y.	✓			
8. NAKASONE, Bob	✓			
9. NISHIMOTO, Scott Y.	✓			
10. TANAKA, Kameo	✓			
11. TSUJI, Clift	✓			
12. WAKAI, Glenn	✓			
13. YAMANE, Ryan I.	✓			
14. YAMASHITA, Kyle T.	✓			
15. MEYER, Colleen Rose				✓
16. MOSES, Mark S.		✓		
17. PINE, Kymberly				✓
18. STEVENS, Anne V.	✓			
<b>TOTAL</b>	<b>15</b>	<b>1</b>		<b>2</b>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
<b>Vice Chair's or designee's signature:</b> 				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – <del>HMSO</del> Duplicate (Pink) – Clerk's Office				