

STAND. COM. REP. NO.

3039

Honolulu, Hawaii

MAR 23 2006

RE: H.B. No. 3060  
H.D. 1  
S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Media, Arts, Science, and Technology and Business and Economic Development, to which was referred H.B. No. 3060, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY,"

beg leave to report as follows:

The purpose of this measure is to expand the existing Hawaii Small Business Innovation Research (SBIR) Grant Program under chapter 206M, Hawaii Revised Statutes, to include the Hawaii Small Business Technology Transfer (STTR) Grant Program and the Phase 0 Technical Assistance Grant Program for small start-up technology companies who are successful recipients of the federal-funded SBIR and STTR Grant Programs.

Your Committees received testimony in support of this measure from the High Technology Development Corporation (HTDC) and the Hawaii Science and Technology Council.

Since its inception in 1989, the Hawaii SBIR Grant Program has assisted in increasing the number of research and development projects and small start-up technology companies in the State. A state investment of \$3,700,000 has returned \$56,500,000 in federal research dollars to the State and \$57,500,000 in investments from and commercial contracts with public and private sectors. The STTR Grant Program requires that a minimum of forty percent of each project be carried out by a small business and that a minimum



of thirty percent of each project be performed by a research institution.

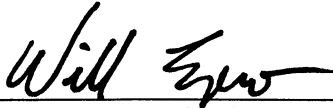
Your Committees find that expanding chapter 206M, Hawaii Revised Statutes to include the STTR Grant Program and the Phase 0 Technical Assistance Grant Program will provide a critical opportunity for HTDC's new incubation partnership with the University of Hawaii John A. Burns School of Medicine to operate a medical technology business incubator in Phase 1 of the new school in Kakaako. Your Committees further find that the success of the SBIR Grant Program is a positive indication that the STTR Grant Program will also be successful at commercializing technologies being developed by scientists and researchers.

Your Committees have amended this measure by adopting the request made by the HTDC and adding language from H.B. No. 3058 H.D.1 that will allow the High Technology Innovation Corporation (HTIC) to establish bank accounts outside of the state treasury including bank accounts in foreign countries. The HTIC is a nonprofit state agency that needs to establish interest-bearing bank accounts with private financial institutions outside of the State and in foreign countries for the management and operation of its programs. An amendment to 205M-53 and 205M-54, Hawaii Revised Statutes, to include a provision for bank accounts and exempting HTDC from the state laws regarding the management of state funds, the deposit of public funds, and state audit and accounting will provide the HTIC the flexibility to support statewide technology-based economic development projects and programs. Your Committees have also amended this measure by changing the effective date from July 1, 2020 to July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3060, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3060, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committees on Media, Arts,  
Science, and Technology and  
Business and Economic  
Development,



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WILL ESPERO, Chair



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CAROL FUKUNAGA, Chair



The Senate  
Twenty-Third Legislature  
State of Hawaii

Record of Votes of the  
Committee on Media, Arts, Science and Technology  
(Bills and Resolutions)

Measure:* <b>HB3060 HD1</b>	Committee Referral: <b>MAT/BED, WAM</b>	Date: <b>3/16/2006</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <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	Ayes	Ayes(WR)	Nays	Excused
FUKUNAGA, Carol (C)	✓			
IGE, David Y. (VC)	✓			
ENGLISH, J. Kalani				✓
IHARA, Jr., Les	✓			
HOGUE, Bob				✓
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">David Y Ige</div>				
Distribution: <div style="display: flex; justify-content: space-around; font-size: 0.8em;"> <span>Original File with Committee Report</span> <span>Yellow Clerk's Office</span> <span>Pink Drafting Agency</span> <span>Goldenrod Committee File Copy</span> </div>				

\*Do not list more than one measure per Record of Votes.

