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## HOUSE CONCURRENT RESOLUTION

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REQUESTING THE DEPARTMENT OF HEALTH AND THE DEPARTMENT OF  
TAXATION TO SUBMIT PROPOSED LEGISLATION TO ASSIST THE  
DEVELOPMENT AND TESTING OF A RAPID ELECTROCHEMICAL  
DETECTION PRODUCT WITH TAX INCENTIVES TO PRIVATE COMPANIES  
FOR RELATED WORK.

1 WHEREAS, Eurus Genomics, Inc., is a corporation located in  
2 Honolulu, Hawaii, with a two-fold mission:

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4 (1) To create new medical discoveries through the  
5 integration of pharmacogenomics (the combination of  
6 pharmacology and genomics to study and understand how  
7 a person's genetic makeup affects the body's response  
8 to a drug) and clinical trials and research; and  
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10 (2) To assist emerging biotechnology efforts and aid in  
11 new drug discoveries to be brought to market in the  
12 most expeditious manner; and  
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14 WHEREAS, Eurus was a co-founder of Antara BioSciences Inc.,  
15 which was established to address the overwhelming need for  
16 efficient, highly sensitive and cost-effective *in vitro*  
17 diagnostics; and  
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19 WHEREAS, the role of *in vitro* diagnostics in modern  
20 medicine (the early detection and accurate diagnosis of disease  
21 or other medical conditions) continues to increase, however the  
22 availability of the necessary technologies has been elusive; and  
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24 WHEREAS, Antara BioSciences Inc., has expressed a strong  
25 interest in furthering the health care needs of the people of  
26 Hawaii as well as assist in the State's efforts to promote  
27 economic development in the biotechnology sector; and  
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29 WHEREAS, Antara BioSciences Inc., has developed a new  
30 diagnostic platform that is readily adaptable to the detection



1 of many types of diseases including cancer and infectious  
2 diseases; and

3  
4 WHEREAS, Antara BioSciences Inc., has invented a novel way  
5 to rapidly detect DNA using electrochemical technology, a  
6 methodology that is highly sensitive and does not require the  
7 need to amplify or label the DNA sample; and

8  
9 WHEREAS, Antara's invention involves placing a DNA sample  
10 on a DNA chip and analyzing it to determine whether or not it  
11 binds with the DNA of a particular disease being tested for,  
12 such as hepatitis; and

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14 WHEREAS, Antara's invention is the subject of a number of  
15 patent applications; and

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17 WHEREAS, Antara BioSciences Inc., has strong ties to the  
18 Hawaii community and seeks to provide short- and long-term  
19 medical benefits to those Hawaiian residents that need it the  
20 most, the low income and rural residents of the State of Hawaii;  
21 and

22  
23 WHEREAS, the nature and magnitude of the problem makes it a  
24 challenging task; and

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26 WHEREAS, hepatitis is a serious healthcare problem within  
27 Hawaii, which has the highest rate of liver cancer in the United  
28 States due to the high rate of chronic viral hepatitis; and

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30 WHEREAS, there are over 15,000 people that have tested  
31 positive for hepatitis C in Hawaii; and

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33 WHEREAS, hepatitis C is also the leading cause of liver  
34 transplant in the United States, and many people who are  
35 infected with this silent epidemic wait until they feel ill  
36 before being tested, when it can be more difficult, extremely  
37 expensive, or may even be too late to be treated; and

38  
39 WHEREAS, early detection of hepatitis provides the ability  
40 for infected individuals to begin treatment, with the hope that  
41 they can do so before serious additional complications occur, as  
42 well as aiding in the prevention of further spread of the  
43 disease; and



1 WHEREAS, low income individuals have an increased risk of  
2 contracting hepatitis; and  
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4 WHEREAS, the Department of Health currently has a program  
5 to screen for hepatitis C in adults who do not have insurance or  
6 are unable to receive services through their doctor; and  
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8 WHEREAS, the development and testing of the Antara's  
9 hepatitis and other diagnostic products would require the  
10 approval of the Food and Drug Administration, which would  
11 necessitate the use of clinical trials; and  
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13 WHEREAS, Antara BioSciences Inc., has expressed its  
14 willingness to provide its hepatitis diagnostic test on a  
15 voluntary basis to Hawaiian residents at no charge to them, with  
16 the data from the proposed testing in turn to be used to support  
17 a submission to the Food and Drug Administration for approval of  
18 the hepatitis diagnostic test; and  
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20 WHEREAS, Antara BioSciences Inc., has proposed that the  
21 State of Hawaii establish incentive tax credits of up to  
22 \$15,000,000 to fund part of the development of a rapid and  
23 sensitive test for at least the three most common types of  
24 hepatitis (A, B, and C) and preferably also hepatitis D and E,  
25 with any development costs exceeding \$15,000,000 to be borne by  
26 Antara; and  
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28 WHEREAS, in return for such a tax credit, Antara  
29 BioSciences Inc., has expressed its willingness to share with  
30 the State of Hawaii ten per cent of the revenue received from  
31 the sale of a Food and Drug Administration approved and  
32 commercially marketed product that was developed and tested in  
33 the State, with such funds being placed in a trust or a fund to  
34 finance health care needs of low income and rural residents of  
35 Hawaii; now, therefore,  
36

37 BE IT RESOLVED by the House of Representatives of the  
38 Twenty-fourth Legislature of the State of Hawaii, Regular  
39 Session of 2007, the Senate concurring, that the Department of  
40 Health and the Department of Taxation are requested to draft  
41 legislation to address the goal of assisting in the development  
42 and testing of a rapid electrochemical detection product using a  
43 methodology that is highly sensitive and does not require the  
44 need to amplify or label the DNA sample, and which could be used

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1 to rapidly and accurately test for hepatitis and/or other  
2 diseases, with appropriate clinical trials of such product to  
3 take place in the State of Hawaii; and

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5 BE IT FURTHER RESOLVED that such proposed legislation  
6 address and provide for appropriate incentives or other  
7 consideration to the developer of such product in return for  
8 payments to a trust or fund to finance the health care needs of  
9 low income and rural residents of Hawaii; and

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11 BE IT FURTHER RESOLVED that the departments submit proposed  
12 legislation to the Legislature no later than twenty days prior  
13 to the convening of the Regular Session of 2008; and

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15 BE IT FURTHER RESOLVED that certified copies of this  
16 Concurrent Resolution be transmitted to the Director of Health  
17 and Director of Taxation.

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19  
20  
OFFERED BY:

*Calvin K. Iy*  
*By Request*  
MAR 14 2007

